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North Carolina Utilities Commission

1988 Report — VOL. XIX

Major Activities — April 1987 through March 1988

with

Statistical and Analytical Data Through 1986

LETTER OF TRANSMITTAL

September 1, 1988

The Honorable James G. Martin
The Governor of North Carolina
Raleigh, North Carolina

Dear Governor Martin:

We hereby present for your consideration the 1988 Report of the North Carolina Utilities Commission pursuant to Section 17 of the Public Utilities Act of 1963 as amended in 1977 (G.S. 62-17). The report covers the major activities of the Commission for the period April 1987 through March 1988 with statistical and analytical data for the operations of the utilities through 1986.

Respectfully submitted,

Robert O. Wells, Chairman
Dr. Robert K. Koger, Commissioner
Sarah Lindsay Tate, Commissioner
Edward B. Hipp, Commissioner
Ruth E. Cook, Commissioner
Julius A. Wright, Commissioner
William W. Redman, Jr., Commissioner

Prepared by

North Carolina Utilities Commission
Finance, Statistics, Budget & Planning Division
P. O. Box 29510
Raleigh, NC 27626-0510
Telephone No. 919-733-7660

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I. Organization And History

A. COMMISSION STAFF AND ORGANIZATION CHART

There were seven Commissioners and 50 funded positions comprising the Commission Staff as of April 1, 1988. Commissioners are appointed by the Governor subject to the confirmation by the General Assembly in joint session.

NORTH CAROLINA UTILITIES COMMISSION
COMMISSION STAFF
Commissioners and Supervisory Personnel
April 1, 1988

Commissioners
Robert O. Wells, Chairman

Dr. Robert K. Koger
Commissioner

Ruth E. Cook
Commissioner

Sarah Lindsay Tate
Commissioner

Julius A. Wright
Commissioner

Edward B. Hipp
Commissioner

William W. Redman, Jr.
Commissioner

Staff Heads and Directors

Chief Clerk. . . . . .Mrs. Sandra J. Webster
Legal Division . . . . . .Robert H. Bennink, Jr.
Accounting Division. . . . . .Donald R. Hoover
Engineering Division, Electric . . . . . .David F. Creasy
Finance, Statistics, Budget & Planning . . . . . .Joseph W. Smith
Transportation Division (Includes Motor, Rail, and Gas Pipeline Safety Activities). . . . . .Barbara A. Sharpe

FIGURE NO. 1-1

COMMISSION STAFF - ORGANIZATION CHART
April 1, 1988

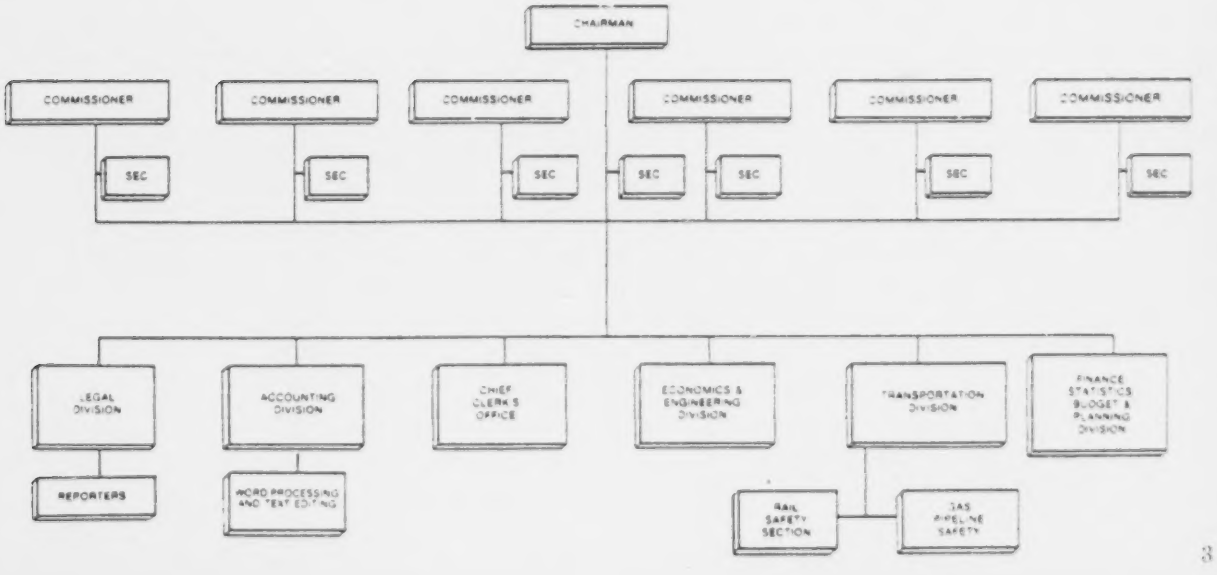


FIGURE NO. 1-1A

NORTH CAROLINA UTILITIES COMMISSION
COMMISSIONERS LISTED IN ORDER OF APPOINTMENT
APPROXIMATE YEARS OF SERVICE GIVEN IN PARENTHESES
(PLEASE SEE NOTE)

* 1. Stanley Winborne (1933-1958)
* 2. F. L. Seely (1933-1940)
* 3. Frank W. Hanft (1933-1940)
* 4. Fred C. Hunter (1941-1955)
* 5. Robert Grady Johnson (1941-1948)
* 6. Joshua S. James (1949-1953)
* 7. Edward T. McMahan (1949-1958)
* 8. Harry T. Westcott (1949-1972)
* 9. Sam O. Worthington (1952-1966)
* 10. Ralph Moody (1955-1957)
* 11. R. Lee Whitmire (1957-1958)
* 12. Clarence H. Noah (1958-1966)
* 13. Richard G. Long (1958-1960)
   14. Thomas R. Eller, Jr. (1958-1968)
* 15. R. Brookes Peters (1960-1966)
   16. John Worth McDevitt (1966-1973)
   17. M. Alexander Biggs, Jr. (1967-1969)
   18. Clawson L. Williams, Jr. ((1967-1970)
   19. Marvin R. Wooten (1968-1976)
* 20. Miles H. Rhyne (1970-1973)
   21. Hugh A. Wells (1970-1974)
* 22. Ben E. Roney (1973-1979)
   23. Tenney I. Deane, Jr. (1973-1977)
   24. George T. Clark, Jr. (1974-1976)
   25. J. Ward Purrington (1975-1977)
   26. W. Lester Teal, Jr. (1975-1977)
   27. Barbara A. Simpson (1975-1977)
   28. W. Scott Harvey (1976-1977)
   29. Robert K. Koger (1977-)
   30. Dr. Leigh H. Hammond (1977-1984)
   31. Sarah Lindsay Tate (1977-)
   32. Dr. Robert Fischbach (1977-1979)
   33. John W. Winters (1977-1983)
   34. Edward B. Hipp (1977-)
   35. A. Hartwell Campbell (1979-1986)
   36. Douglas P. Leary (1980-1984)
   37. Ruth E. Cook (1983-)
   38. Charles E. Branford (1984-1985)
   39. Hugh A. Crigler (1984-1985)
   40. Julius A. Wright (1985-)
   41. Robert O. Wells (1985-)
   42. William W. Redman, Jr. (1987-)

*Deceased

NOTE: Appointments for Utilities Commissioners have never been on a calendar year basis; therefore, the years of service given in parentheses represent the (a) year in which the Commissioner was appointed, and (b) the year in which service ended.

B. BIOGRAPHICAL SKETCH OF EACH COMMISSIONER AS OF APRIL 1, 1988

ROBERT O. WELLS, CHAIRMAN: Born June 16, 1938, in Jones County, North Carolina; University of North Carolina at Chapel Hill (BA in Education); Owner, Robert O. Wells Insurance Agency (1963-85); Member, High Point City Council (1973-77); Member, High Point Planning and Zoning Commission (1978-81); Member, High Point Economic Development Corporation (1981-85); Member, Economic and Community Development Committee, North Carolina League of Cities (1983-85); Member, Transportation and Commerce Committee, National League of Cities (1985); Mayor, City of High Point (1981-85); Assumed Commissionership July 1, 1985, Current term ends June 30, 1993; Married (Linda), four children.

ROBERT K. KOGER, COMMISSIONER: Born September 10, 1936, in Byrdstown, Tennessee; University of Tennessee (BS in Electrical Engineering); North Carolina State University (Master of Economics); North Carolina State University (Ph.D. in Industrial Engineering); U.S. Rural Electrification Administration Engineer in North Carolina (1961-67); North Carolina Utilities Commission Utilities Engineer (1967-70); Director of North Carolina Utilities Commission Engineering Division (1970-77); Licensed Professional Engineer; Assumed Commissionership May 24, 1977; North Carolina Utilities Commission Chairman (1977-85); Current term ends June 30, 1989; Married (Jeanne), three children.

SARAH LINDSAY TATE, COMMISSIONER: Born March 14, 1927, in Charlotte, North Carolina; University of North Carolina (AB, LLB); Raleigh Community Relations Commission; Associate Counsel for insurance companies, private law practice; Assumed Commissionership May 24, 1977; Current term ends June 30, 1993; one daughter.

EDWARD B. HIPP, COMMISSIONER: Born August 30, 1921, in Charlotte, North Carolina; Davidson College (BS); University of North Carolina (JD); World War II Infantry Rifle Platoon Leader (1942-46) (Awarded Silver Star and Purple Heart); North Carolina Attorney General's Office: Staff Tax Attorney (1950-51); North Carolina Revisor of Statutes (1952-53); Private law practice (1953-61); Special counsel for North Carolina General Statutes Commission Utilities Law Revision (1962-63); North Carolina Utilities Commission General Counsel (1963-77); Assumed Commissionership October 21, 1977, Current term ends June 30, 1989; Married (Dorothy), three children.

RUTH E. COOK, COMMISSIONER: Born November 11, 1929, in Berlin, Germany; New York University; Member, North Carolina House of Representatives (1974-83); Chairman, Appropriations Base Budget Committee on Human Resources; Chairman, Consumer Protection Committee of the Southern Legislative Conference of the Council of State Governments (1982); the N.C. Housing Programs Study Commission Chairman (1981-82); Governor's Task Force on Science and Technology (1982); Savings and Loan Study Commission (1980); Board of Directors of North Carolina Housing Finance Agency (1981); Chairman, North Carolina Council for the Hearing Impaired (1979); Executive Director, State Council for Social Legislation (1966-74); President, North Carolina Consumers Council (1977); Charter Board Member, Raleigh Inter-Church Housing Corporation (1966-69); President, Raleigh/Wake League of Women Voters (1963-65); Member, Wake County Democratic Women; Member, Women Executives in State Government; Assumed Commissionership July 1, 1983; Current term ends June 30, 1991; (Husband deceased), two children.

JULIUS A. WRIGHT, COMMISSIONER: Born October 10, 1951, in Waycross, Georgia; Valdosta State College (BS Chemistry); Georgia State University (MBA Finance); Chemist, Occidental Petroleum Corporation (1975-76); Research Chemist, Chemical Products Corporation (1976-79); Senior Project Engineer, Corning Glass Works (1979-85); Owner, Video Investment Corporation (1982-85); North Carolina State Senator (Three terms) (1981-85); Assumed Commissionership June 10, 1985, Current term ends June 30, 1993; Married (Phyllis), two daughters.

WILLIAM W. REDMAN, JR., COMMISSIONER: Born October 15, 1933, in Statesville, Iredell County, North Carolina; University of Southern California (1966); Embry-Riddle Aeronautical University (1972) (BS); Command and General Staff College (PHII) (1974); Realtors Institute, University of North Carolina-Chapel Hill (1978), GRI; Bank Marketing Institute, University of Maryland (1975); Real Estate Broker; Retired Military Officer; Member, North Carolina Senate (1979-80), (1981-82), (1983-84), (1985-87); Chairman, Task Force on Forced Medication (1986); Member, Mental Health Study Commission (1984-86); Member, Design, Construction and Inspection of Government Facilities (1981); Member, Legislative Ethics Study Commission (1983-84); Served, United States Army (1954-74) (Lt. Col.); Master Aviator and Commercial Pilot; Distinguished Flying Crosses (2); Bronze Stars (3); Infantry Officer Candidate "Hall of Fame" (1982); Assumed Commissionership March 17, 1987, Current term ends June 30, 1995; Married (Libby), three children.

C. BIOGRAPHICAL SKETCH OF EXECUTIVE DIRECTOR

Robert P. Gruber began his term as Executive Director on July 1, 1983. From February 1978 until this appointment he had served as General Counsel to the North Carolina Utilities Commission. From 1973 to 1978 he had been employed by the North Carolina Department of Justice where he had served as a Special Deputy Attorney General in charge of the Utilities Section. Prior to this he had been in private law practice in Raleigh, North Carolina. He earned his law and undergraduate degrees from the University of North Carolina.

D. PUBLIC STAFF AND ORGANIZATION CHART

As of April 1, 1988, there were an Executive Director and 78 funded positions comprising the Public Staff of the North Carolina Utilities Commission.

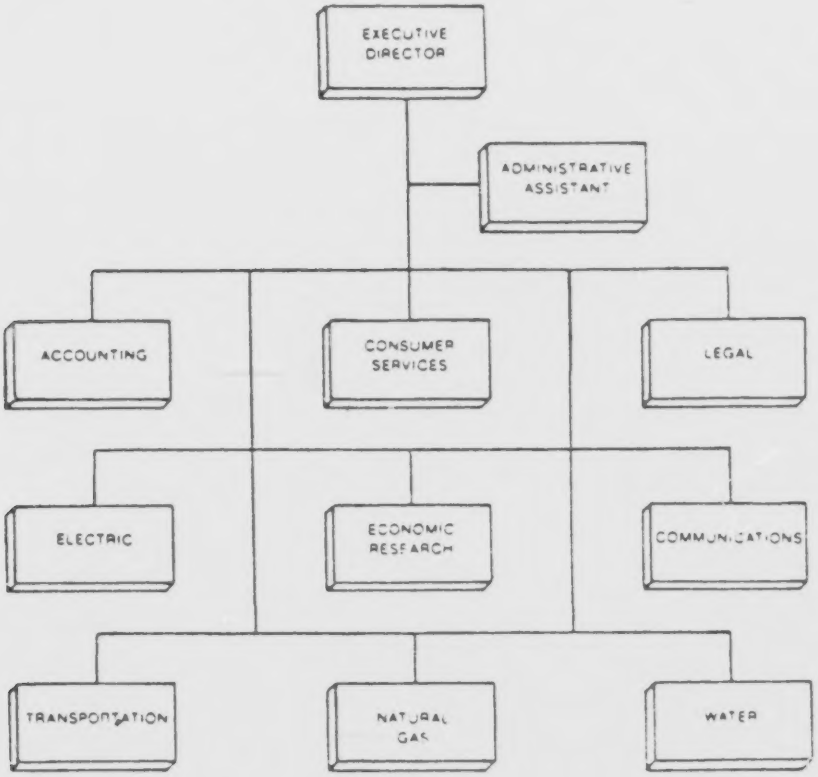
PUBLIC STAFF
NORTH CAROLINA UTILITIES COMMISSION
April 1, 1988

Executive Director
Robert P. Gruber

Administrative Assistant. . . . . .Margaret K. Kimzey
Accounting Division . . . . . .William E. Carter
Communications Division . . . . . .Gene A. Clemmons
Consumer Services Division. . . . . .J. Craig Stevens
Economic Research Division. . . . . .George T. Sessoms, Jr.
Electric Division . . . . . .Dennis J. Nightingale
Gas Division. . . . . .Raymond J. Nery
Legal Division. . . . . .Antoinette R. Wike
Transportation Rates Division . . . . . .James C. Turner
Water Division. . . . . .Jerry H. Tweed

FIGURE NO. 1-2

PUBLIC STAFF - ORGANIZATION CHART
April 1, 1987



E. HISTORICAL SKETCH OF DEVELOPMENT

The present North Carolina Utilities Commission evolved from the Railroad Commission, which was created in 1891 by the General Assembly and was given authority to determine charges made for services rendered by railroads, steamboat, or canal companies, and express and telegraph companies.

The major changes occurring in the North Carolina regulatory field since 1891 are in chronological order as follows:

1893--Telephone industry brought under regulation.

1897--Street railways brought under regulation.

1899--Railroad Commission abolished and the North Carolina Corporation Commission created. The North Carolina Corporation Commission was given general supervision of railroads, steamboat navigation and canal companies, express and telegraph and telephone companies, building and loan associations, banks, and sleeping car companies.

1900--The Corporation Commission's duties enlarged to encompass general supervision over tax listers and tax assessors.

1905--Supervision of building and loan association transferred to State Insurance Commissioner.

1913--Electric light, power, water, and gas companies, excluding municipally owned, came under regulation.

1925--Capital Issues Law administered by the Corporation Commission. Motor vehicle common carriers of persons and property over regular or specified routes brought under regulation.

1931--Transfer of banking department to the Commissioner of Banks.

1933--The Corporation Commissioner abolished. The office of Utilities Commissioner created with two associate commissioners.

1937--Administration of Capital Issues Law transferred to Secretary of State.

1941--The North Carolina Utilities Commission established, consisting of three full-time members with six-year terms.

1949--Bus Act of 1925 replaced and jurisdiction over common and contract carriers of passengers, regular and irregular routes, expanded. Membership increased to five commissioners and technical staff of engineers, accountants, and directors of transportation added.

1963--The utility laws of North Carolina updated and rewritten.

1965--Electric Membership Corporation brought under limited jurisdiction of the Utilities Commission relating to assignment of service and promotional payments.

1967--The following amendments to the General Statutes 62 known as the Public Utilities Act are of significance to the public and the regulatory agency:

a. Initiation of Cooperative Agreement in the enforcement of interstate motor carriers safety regulations with the Interstate Commerce Commission. (G.S. 62-266)

b. Authorization for the Utilities Commission to collect same fees for registration of interstate authority and interstate vehicles as is charged intrastate carriers. (G.S. 62-300)

c. Authority to regulate the standards of safety for interstate natural gas pipelines passing through North Carolina. (G.S. 62-41 and G.S. 62-43)

d. Change in appeal procedure of Utility Cases; they now go to the Court of Appeals rather than to the Superior Courts.

1969--The following amendments to the General Statutes 62 known as the Public Utilities Act are of significance to the public and the regulatory agency:

a. Register ICC Exemptions. Authorization for the Commission to require all interstate carriers to file copies of their respective interstate authority or register their exempt operation. The registration for the exempt carriers for the first time is the significant feature of this act. (G.S. 62-266)

b. Inspect Utility Affiliate Records. Authorization for the Commission to inspect the books and records of corporations affiliated with public utilities regulated by the Commission, including parent corporations and their affiliates. (G.S. 62-51)

c. Furnish False Information to the Utilities Commission; Failure to Furnish Information to the Commission. Action by legislature declaring it a misdemeanor for utilities under the jurisdiction of the Commission to furnish false information or for failure to furnish information on report forms furnished by the Commission. (G.S. 62-326)

d. Radio Common Carriers. Commission authority extended to grant Certificates of Public Convenience and Necessity to radio common carriers in areas where the landline telephone company has heretofore protested certificates of radio common carriers.

1971--The following amendments to the General Statutes 62 known as the Public Utilities Act were approved by the General Assembly in the current year:

a. The Executive Organization Act of 1971 created the N.C. Department of Commerce, (143A-174). The North Carolina Utilities Commission was transferred to the Department of Commerce. (G.S. 62-10)

b. Safety Standards for Interstate and Intrastate Natural Gas Pipelines. Authorization by the General Court of Justices of North Carolina to issue court orders, restraining orders, injunctions, and other processes of the court in actions by the Utilities Commission to enforce the provisions of gas pipeline safety, and authorizing the Commission to bring such action as may be necessary for compliance. (G.S. 62-50)

c. How Rates Fixed--Natural Gas Distribution Companies. Utilities Commission given permission to permit gas companies to increase their rates to customers to the extent that such increases are occasioned by increases in the wholesale rates paid by the utilities. This increase could be allowed without a general rate case hearing. (G.S. 62-133)

d. Change in Definition of "Public Utility." Prior to 1971, those persons or companies selling water to less than 25 residential customers were, by statute, exempt from Utilities regulation. 1971 legislation modified the definition of a public utility to include anyone furnishing water to 10 or more residential customers. (G.S. 62-3)

1973--The following amendment to the General Statutes 62 known as the Public Utilities Act, was approved by the General Assembly in the current year:

a. Change in Definition of "Public Utility." Town of Pineville, N.C., included insofar as town supplies telephone service to the public for compensation. This includes town limits as of May 8, 1973, and shall also include area proposed to be annexed, until January 1, 1975. Utilities Commission has no authority in respect to rates or charges for service

until July 1, 1974. [G.S. 62-3 (23)(f)] Related Statute--Electric Service in Urban Areas. Authority and Jurisdiction of Utilities Commission--G.S. 160-A-334 rewritten as follows: If North Carolina Utilities Commission finds service being furnished to consumer by a secondary supplier to be inadequate or undependable, or that rates are unreasonably discriminatory, the Commission shall have the authority and jurisdiction after notice to each affected electrical supplier, and after hearing, if hearing is requested, to: Order a primary supplier that is subject to the jurisdiction of the Commission to furnish electric service to any consumer who desires service from the primary supplier at any premises served by a secondary supplier and to order such secondary supplier to cease and desist from furnishing electric service.

1974--The following selected Legislative Bills of significance to the operations of the utilities, the utilities' ratepayers, and the Commission itself were passed by the General Assembly in the 2nd Session (1974) of the 1973 Session and along with other utility bills not listed here are included in General Statutes 62 known as the Public Utilities Act:

a. How Rates Fixed--Small Water and Sewer Utilities. The Commission may now fix such rates on the ratio of the operating expenses to the operating revenues, such ratio to be determined by the Commission, unless the utility requests that such rates be fixed under G.S. 62-133 (b). Previously only motor carrier rates were determined in relation to an operating ratio. [G.S. 62-133.1 (a)]

A water or sewer utility may enter into uniform contracts with nonusers of its utility service within a specific subdivision or development for the payment by such nonusers to the utility of a fee or charge for placing or maintaining lines or other facilities or otherwise making and keeping such utility's service available to such nonusers which in effect is an availability charge. [G.S. 62-133.1 (b)]

b. Future Test Period Authorized. Authority given to the Commission, at its discretion, to use a current as well as a past test period in establishing public utility rates. This change gave the Commission authority to use a 12-month future test period for setting rates which required the extensive use of estimated and forecasted operating data in addition to actual historical data. [G.S. 62-133 (c)] (The General Assembly, during the 1975 Session, amended G.S. 62-133 (c) by rewriting the second sentence of Subsection (c) and in effect restoring the test period used in general rate cases to 12 months historical operating expenses prior to the date the proposed rates are to become effective.)

c. Less Than the Full Commission May Hear Small Utility Rates Cases--In matters where total annual revenue requested or where total annual revenues increase requested is less than $50,000,* even though all rates are affected, the Chairman of the Commission may refer the matter to a division of the Commission, to a Hearing Commissioner, or to a Hearing Examiner for hearing. Previously, the full Commission was required to hear all general rate cases. (G.S. 62-81) *Increased to $100,000 by 1977 legislative amendment. Increased to $300,000 by 1981 legislative amendment.

1975--Major legislation affecting the regulation of utilities:

a. Definition of the Term "Panel." Panel as used herein means three Commissioners, a division of the Utilities Commission authorized for the purpose of carrying out certain functions of the Commission. (G.S. 62-3)

b. Increase in the Number of Commissioners From Five (5) to Seven (7). All

Commissioners henceforth are to be appointed by the Governor subject to confirmation by the General Assembly in joint session. (G.S. 62-10)

c. Initiation of Management Audits. Management Audits may be initiated by the Commission of any public utility company once every five years by a competent, qualified, and independent firm with the cost of such audit to be borne by the particular public utility subject to the audit. [G.S. 62-37 (b)]

d. Procedure Before the Commission. The Commission shall sit in panels of three unless the Chairman, by Order, shall set the proceeding for hearing by the Full Commission. (G.S. 62-60.1)

e. Long Range Forecast. The Commission is required to develop, publicize, and keep current an analysis of the long-range needs for expansion of facilities for the generation of electricity in North Carolina, including its estimates of the probable future growth of the use of electricity, the probable needed generating reserve, the extent, size, mix, and general location of generating plants, and arrangements for pooling power to the extent not regulated by the Federal Power Commission. [G.S. 62-110.1 (c, d, e, f)]

f. Rate Changes Due Solely to Changes in Cost of Fuel. Effective on and after September 1, 1975, application by any public utility for permission and authority to increase its rates and charges based solely upon the increased cost of fuel used in generation or production of electric power must be suspended for a period not to exceed ninety (90) days. A hearing on the merits of the application must be held within thirty (30) days of the date of the filing with an Order responsive to the application being issued not later than ninety (90) days from the filing. A rate decrease due solely to a decrease in the cost of fuel, upon motion of the Commission or application of any person having an interest in said rate, shall be set for hearing. Any person directly interested in these proceedings shall have a full right of intervention. These types of proceedings shall not be considered a general rate case. To implement this new legislative act, the Commission adopted a new Rule, R1-36, which prescribes the information and exhibits required to be filed with the application. [G.S. 62-134 (e) and (f)]

1977--Major legislation affecting the regulation of utilities:

a. Creation of the Office of Executive Director and Public Staff to Represent the Using and Consuming Public. The Commission personnel was divided into a Commission Staff and a Public Staff. The Office of Executive Director was established to direct the Public Staff. The Executive Director shall be appointed by the Governor subject to confirmation by the General Assembly in joint session. The term of the Executive Director shall be six years and the salary the same as that fixed for Commissioners. The Executive Director may be removed from office by the Governor in the event of his incapacity to serve, and the Executive Director may be removed from office by the Governor upon the affirmative recommendation of a majority of the Commission, concurred in by a majority of the Utility Review Committee of the General Assembly. The Public Staff shall not be subject to the supervision, direction, or control of the Commission, the Chairman, or members of the Commission. The Public Staff has the duty and responsibility to review, investigate, intervene, and make recommendations to the Commission relating to practically all matters affecting the using and consuming public and especially in the following areas: rates charged for service, level and quality of service rendered, issuance or cancellation of certificates for service and service areas, complaints of consumers, transfers, mergers or consolidation of utilities

providing services to the public, contracts of public utilities with and between affiliates or subsidiaries, and the issuance of securities or other financial matters affecting the utilities. The Public Staff has no duty, responsibility, or authority with respect to the enforcement of natural gas pipeline safety laws, rules or regulations, or to the laws, rules or regulations of common, contract, and exempt carriers relating to their equipment, the registration of their vehicles, insurance coverage, licensing or training of drivers, or the operation of motor vehicle equipment. [For complete detail of duties of Public Staff, see G.S. 62-15 (a) thru (i).]

b. Gifts to Members of Commission, Commission Employees, or Public Staff Unlawful--Utilities may not offer nor may any member of the Commission, Commission Staff, or Public Staff accept any gift of money, property, or anything of value from the utilities. One violating this rule is guilty of a misdemeanor and may be fined and subject to dismissal for cause. A member of the Commission, Commission Staff, or Public Staff may attend public breakfasts, lunches, dinners, or banquets sponsored by the regulated utilities. (G.S. 62-327)

c. Public Staff Provision Renewable After Four Years--Unless the General Assembly shall otherwise direct, effective August 31, 1981, the Office of Executive Director and the Public Staff of the Commission shall terminate and the positions assigned to the Public Staff shall be assigned to the Commission.

d. Lifeline Rate Study--Resolution No. 63 urging the Utilities Commission to investigate and study Lifeline Rates for consumers of electricity and natural gas was ratified by the General Assembly on June 14, 1977. Because of rapidly rising rates for electric and natural gas service and the great hardship the rates were causing many elderly and low income persons in the State, the Commission was urged to study and consider whether it is just and reasonable to establish a category of lifeline rates for essential levels of use by residential customers to provide lighting, cooking, and refrigeration in their primary place of residency.

e. Use of Original Cost Plus Construction Work in Progress (CWIP) of Public Utilities Property for Ratemaking Purposes to be Effective With Respect to Rate Applications Filed on and After July 1, 1979. Effective with rate applications filed on and after July 1, 1979, the Commission must use as the rate base for fixing rates of electric, gas, telephone, and water and/or sewer utilities (unless the operating ratio is used for water and sewer companies) the reasonable original cost, less depreciation, plus the reasonable original cost of construction work in progress (CWIP) of the public utility's property. This method replaces the currently used Fair Value formula (which excludes the value of CWIP) in determining the rate base for the fixing of rates. In conjunction with the enactment of the above amendment to G.S. 62-133 entitled "How rates fixed" the General Assembly also amended G.S. 62-2 entitled "Declaration of Policy" by adding a new subsection (5) which reads as follows:

"(5) Require each public utility to discontinue capitalization of the composite carrying cost of capital funds used to finance construction (allowance for funds) on the construction work in progress included in its rate base upon the effective date of the first and each subsequent general rate order issued with respect to it after the effective date of this subsection; allowance for funds may be capitalized with respect to expenditures for construction work in progress not included in the utility's property upon which the rates were fixed. In

determining net operating income for return, the Commission shall not include any capitalized allowance for funds used during construction work in progress included in the utility's rate base." (See Session Laws 1977, c 691, ss. 2 & 3 for details of amendments to G.S. 62-133).

f. Constitutional Amendment (Article V) to allow municipalities to Issue Revenue Bonds to Finance the Cost of Electric Generation and Transmission Facilities. This related legislation authorizing municipalities owning or operating electric systems and joint agencies composed of such municipalities to jointly or severally own, operate, and maintain an electric system and to use revenue bonds to finance the cost thereof, subject to the approval of the electorate, directly affects the regulated electric companies of North Carolina. Duke Power Co. has already agreed to sell a portion of its nuclear generating capacity to nineteen (19) North Carolina towns and cities which are members of the North Carolina Municipal Power Agency No. 1. (See Session Laws 1977, c 528, sections 1 thru 6 for details of Constitutional Amendment.)

g. Uniform and Joint Rates Among Carriers of the Same Class Authorized. Historically tariff bureaus have been formed by common carriers for the purpose of establishing and publishing joint rates, in order to achieve a stable rate structure. The enactment of Chapter 219 empowered the Commission to regulate and permit tariff bureaus to publish joint rates. G.S. 62-152.1 and Commission Rule R4-12 set forth the Commission's requirement of a rate bureau in order for it to publish joint rates with this Commission.

1979 & 1980--Major legislation affecting the regulation of utilities

a. Office of Executive Director and the Public Staff Made Permanent on April 10, 1979. These positions otherwise would have been terminated on August 31, 1981. (Session Laws 1979, c 332, 3.1)

b. Gas Pipeline Safety Standards Authority Expanded. The Utilities Commission's authority is expanded over natural gas pipeline safety standards to cover public housing authorities and apartment complexes or mobile home parks that distribute or submeter gas to their tenants. It also restates the Commission's existing authority over pipeline safety standards of interstate and intrastate gas utilities and pipeline carriers under franchise, as well as municipally owned distributors, without apparently changing the substance of this authority. (Session Laws 1979, c 269, G.S. 62-50)

c. Ex-parte Communications. The act was amended which forbids any non-written communication by a public utility or public staff member to a Commission member or hearing examiner relating to the level of rates to be charged by deleting the words "with regard to matters affecting the rates charged or proposed to be charged" and inserting in lieu thereof the words "regarding the level of rates specifically proposed to be charged." Article IV, G.S. 62-70 (g) (Session Laws 1979, c 332, S.2.)

d. Encouragement of Cogeneration of Electricity. Cogeneration of electricity was encouraged by exempting from regulation persons who are constructing or operating an electric generating unit primarily for their own use and not for the primary purpose of producing electricity, heat, or steam for sale to or for the public for compensation. However, such persons must report to the Utilities Commission the proposed construction of such a facility before construction begins. [G.S. 62-110.1 (g)]

e. Power Sales by Small Power Producers. In the event that a small power producer and an electric utility are unable to mutually agree to a contract for the sale of electricity or to a price for the electricity purchased by the electric utility, the Commission shall require the utility to purchase the power, under rates and terms established under G.S. 62-156. (See Session Laws 1979, 2nd Session, 1980, c 1219, S.2.)

f. Security Provisions Relating to Access to Nuclear Power Facilities and/or Control Over Nuclear Material. The Chief Personnel Officer or his designee of any public utility franchised to do business in North Carolina shall be permitted to obtain from the State Bureau of Investigation a confidential copy of criminal history record information for screening an applicant for employment or an employee of a utility or utility contractor where the employment or job to be performed falls within a class or category of positions certified by the North Carolina Utilities Commission as permitting or requiring access to nuclear power facilities or access to or control over nuclear material. (G.S. 62-333) (See Session Laws 1979, c 796.)

g. Motor Carriers Providing "Charter Party" Services for Senior Citizens Exempt From Regulation. Motor passenger carriers engaged in "Charter Party" service for senior citizens 60 years or older are exempt from Commission regulation except for subsections (f) and (g) of Article 12 G.S. 62-260. These sections deal with security, safety, and registration regulations of motor passenger carriers and their vehicles. [G.S, 62-260 (a)(18)] (See Session Laws 1979, c 204).

1981--Major legislation affecting the regulation of utilities

a. Rate-setting Hearings Nonmandatory When There is No Significant Public Protest and All Parties Are in Agreement. When there is no significant public protest received within 30 days of the publication of notice of a proposed rate change for a water or sewer utility, the Commission may decide the proceeding based on the record without a trial or hearing, provided said utility and all other parties of record have waived their right to any such hearing. [G.S. 62-81 (f) (HB 530)]

b. Commission Authorized to Decide the Level of Interest to Add to Customer Refunds. The Commission under the amended law can decide the level of interest rates public utilities must pay on refunds of monies to its customers which were advanced by or overcollected from its customers. Under the amended law the rate cannot exceed ten percent (10%) per annum, previously the only rate was six percent (6%) per annum. [G.S. 62-130 (e) and G.S. 62-135 (c) (HB 531)]

c. The Utility Company Shall Be The Source of Funds for the Public Staff to Employ Outside Assistance in Commission Proceedings. The Executive Director of the Public Staff is authorized to employ, subject to the approval of the State Budget Officer, expert witnesses and such other professional expertise as deemed necessary to assist the Public Staff in its participation in Commission proceedings, and the compensation and expenses therefor shall be paid by the utility or utilities participating in said proceedings. Before this enactment, the funds for this type service came from the regular appropriated Public Staff budget or from the State Contingency and Emergency Fund. [G.S. 15 (h) (HB 529)]

d. Employment of Temporary Court Reporters With Costs to be Borne by Individual Utility or Utilities. The Commission is authorized to contract with or employ on a temporary basis, when deemed necessary by the Chairman of the Commission, court reporters in

addition to those employed on a full-time basis by the Commission for the purpose of recording and transcribing testimony given at hearings before the Commission involving any Class A and B utility. The costs for these court reporters are to be charged directly to the involved utility or utilities. [G.S. 62-7 (d) (SB 639)]

1982-Major legislation affecting the regulation of utilities (1982-Short Session)

a. Changes in Method and Times Per Year the Fuel Clause Adjustment May be Considered and the Treatment of Construction Work in Progress (CWIP) for Ratemaking Purposes. Chapter 62 of the General Statutes is amended by adding a new section, G.S. 62-133.2 (HB 1594). This new section provides that the Commission shall conduct only one hearing for each electric utility within 12 months of the last general rate case for the purpose of determining whether an increment or decrement rider is required to reflect actual changes in the cost of fuel and the fuel cost component of purchased power over or under base rates established in the last preceeding general rate case. The amended law also provides that the Commission shall allow only that portion, if any, of a requested fuel adjustment that is based on adjusted and reasonable fuel expenses prudently incurred under efficient management and economic operations. Before enactment of this amendment, there were fuel costs adjustment proceedings three times a year; and the Commission had been barred by court decisions from reducing fuel charges because of inefficient management of poor plant performance. The old fuel adjustment procedure in G.S. 62-134 (e) is repealed. CWIP changes for ratemaking purposes were implemented by the legislature by changing words in the second sentence of G.S. 62-133 (b) (1) from "shall be included" to "may be included, to the extent the Commission considers such inclusion in the public interest and necessary to the financial stability of the utility in question." Prior to this change (since July 1, 1979) in the wording of G.S. 62-133 (b) (1), the Commission had been required to include in the rate base for ratemaking purposes the reasonable original cost of CWIP which had the effect of allowing the utilities to recover through rates the costs of obtaining money to build new facilities. The new law gives the Commission discretionary authority on whether to include CWIP costs in rates. The new law was effective June 17, 1982, the date of ratification.

1983--Major legislation affecting the regulation of utilities:

a. Amendments to Appeal Procedures. Chapter 526, House Bill 493 is an act to implement the Constitutional amendment regarding appeal of Utility Commission Orders. G.S. 7A-29 is amended to show appeals in a general rate case from decisions of the Utilities Commission now go directly to the Supreme Court. In the past, according to G.S. 7A-29, the appeal shall lie to the Court of Appeals.

Chapter 572, House Bill 513 is an act to clarify the filing of a notice of appeal in all appeals taken from decisions of the Utilities Commission. G.S. 62-90 (a) is rewritten to include that any party to a proceeding before the Commission may appeal any final decision of the Commission within 30 days, if they file with the Commission a notice of appeal and set forth the grounds which they believe to be unjust or unreasonable. All other parties may give notice of cross appeal, if they explain the grounds which they believe to be unjust or unreasonable, within 20 days after the first notice of appeal.

b. Compensation for Outside Counsel: Certain Natural Gas Litigation. Sec. 132. Compensation for outside legal fees in excess of twenty-five

thousand dollars ($25,000) per year incurred by the North Carolina Utilities Commission on behalf of the using and consuming public in conjunction with natural gas litigation brought before federal courts and agencies shall be paid from refunds received from the Transcontinental Gas Pipeline Company rather than from the Contingency and Emergency Fund, provided that the agreement must be approved by the State Budget Office.

c. Transfer of Motor Carrier Safety Regulation to DMV. Sec. 137. The safety regulation of all motor carrier transportation services is transferred from the Utilities Commission, Department of Commerce, to the Division of Motor Vehicles, Department of Transportation. This transfer shall be a "type I transfer" as identified in G.S. 143A-6. The regulation of rates and market entry for motor carrier transportation services shall remain vested in the Utilities Commission. The agencies of State government affected by this transfer shall report to the 1984 Session of the General Assembly regarding any changes in the General Statutes required by this transfer.

1984--Major legislation affecting the regulation of utilities:

a. Utility Federal Tax Refund. Chapter 1097, House Bill 1513, is an act to change the state tax structure for commodities and services provided by certain utilities. This act will enable individuals to deduct the taxes on these commodities and services from their Federal income. This does not change rates, it simply converts about one-half the franchise tax to a sales tax so that the sales tax can be deducted from an individual's Federal income tax liability as an itemized deduction. It is the policy of this State that as many State taxes as possible be structured so that they are deductible for Federal income tax purposes under the Internal Revenue Code. This bill was ratified July 6, 1984, and was made effective on January 1, 1985.

b. Powers and Duties of the Utilities Commission in the Telecommunications Industry Broadened. Chapter 1043, House Bill 1365, is an act that broadened the authority of the North Carolina Utilities Commission to allow competitive offerings of long-distance services by public utilities defined in G.S. 62-3 (23)(a)(6) and certified in accordance with the provision of G.S. 62-110. This additional authority was granted "because of technological changes in the equipment and facilities now available and needed to provide telephone and telecommunications services, changes in regulatory policies by the federal government, and changes resulting from the court-ordered divestiture of the American Telephone and Telegraph Company, competitive offerings of certain types of telephone and telecommunications services may be in the public interest."

G.S. 62-110 as amended by this act authorized the Commission to issue certificates to provide competitive long-distance telecommunication services; however, the Commission shall consider the impact on the local exchange customers and only permit such additional service if the Commission finds that it will not jeopardize reasonably affordable local exchange service. This bill was ratified and became effective on June 29, 1984.

1985--Major legislation affecting the regulation of utilities:

a. Bus Regulatory Reform Act of 1985. Chapter 676, House Bill 977, is an act to reform the laws regulating common carriers of passengers by motor vehicle. The General Assembly finds and declares that a safe, competitive, and fuel efficient passenger bus industry contributes to a strong economy and is vital to the

transportation needs of the elderly, handicapped, and poor; Congress has already enacted the Bus Regulatory Reform Act of 1982, which reduces unnecessary and burdensome government regulation of motor carriers of passengers, and now this State will amend and modify its laws regulating motor carriers of passengers, to make them more compatible with the provisions of the Bus Regulatory Reform Act of 1982 and consistent with the public needs of the citizens of this State. Every bus company shall provide safe and adequate service, and unless the Commission orders otherwise, no bus company shall make any changes in its rates, fares, or charges, which have been established under this Chapter, except after 30 days' notice to the Commission. This bill was ratified and became effective July 10, 1985.

b. Clarify the Definition of Preference or Advantage in Utilities Regulation and Provide a Corporate Income Tax Credit. Chapter 695, House Bill 1010, is an act to clarify the definition of preference or advantage in utilities regulation and to provide a corporate income tax credit. This bill states that it shall not be considered an unreasonable preference or advantage for the Utilities Commission to order a reduction in local telephone rates for low-income residential consumers meeting a means test established by the Commission in order to match any reduction in the interstate subscriber line charge authorized by the Federal Communications Commission. Also this bill allows a corporation that provides telephone service to low-income residential customers at reduced rates, in accordance with an order of this Commission, a credit against the tax imposed by this Division. This credit is allowed only for a reduction in local telephone service rates and fees.

c. Permit telephone service of coin, coinless, or key-operated pay telephones by entities other than the certificated telephone companies. Chapter 680, House Bill 1209, is an act to allow the provision of telephone service by entities other than the certificated telephone companies. The North Carolina Utilities Commission will issue a special certificate to persons who offer coin, coinless, or key-operated pay telephone service to the public. The certificated local exchange telephone company in the area of the new pay telephone service will be the only provider of the access line from the pay instrument to the network, and the rates approved by the Commission for this access line shall be fully compensatory. This bill was ratified and made effective July 10, 1985.

1986--Major legislation affecting the regulation of utilities:

Utilities Commission/State Reimbursement. Chapter 1014, House Bill 2055, Section 233, G.S. 62-48 (b) authorizes the Utilities Commission to establish procedures whereby the State may be reimbursed from past and future refunds received by the North Carolina natural gas distribution companies for travel expenses incurred by staff members of the Commission and Public Staff who are designated to provide assistance to the Commission's private legal counsel in natural gas matters before federal courts and agencies. This bill was ratified on July 15, 1986, and made effective July 1, 1986.

1987--Major legislation affecting the regulation of utilities:

a. Permit the Provisions of Shared Use and Resale of Telephone Service. Chapter 445, Senate Bill 822 authorizes the Commission, consistent with the public interest, to adopt procedures for the purpose of allowing shared use and/or resale of any telephone service provided to persons who occupy the same contiguous premises. The Commission shall determine the extent to which such services shall be regulated and

shall regulate the terms, conditions, and rates charged for such services and the terms and conditions for interconnection to the local exchange network. The local service rates approved by the Commission for local exchange lines or trunks being shared or resold shall be fully compensatory and on a measured usage basis where facilities are available or on a message rate basis otherwise.

Section 2 of this law rewrote G.S. 62-3(23)(g) to read as follows: "The term 'public utility' shall not include a hotel or motel, time share, or condominium complex operated primarily to serve transient occupants, which imposes charges to occupants for local, long-distance, or wide-area telecommunication services when such calls are completed through the use of facilities provided by a public utility, and provides further that the local services received are rated in accordance with the provisions of G.S. 62-110(d) and the applicable charges for telephone calls are prominently displayed in each area where occupant rooms are located." This bill was ratified and made effective June 22, 1987.

b. Provide Adjustments to Cost in Electric Utility Ratemaking and to Study the Question of Continuing the Authority for True-ups. Chapter 677, Senate Bill 524 provides that in annual fuel charge adjustment proceedings for electric utilities, the Commission shall incorporate a "true-up" of reasonable fuel expenses prudently incurred during the test period in fixing an increment or decrement rider. The burden of proof as to the correctness and reasonableness of the charge and as to whether the fuel charges were reasonably and prudently incurred shall be on the utility. The Commission shall adopt a rule that establishes prudent standards and procedures with which to appropriately measure management efficiency in minimizing fuel costs. The Joint Legislative Utility Review Committee shall study the fuel charge adjustment statute (G.S. 62-133.2) and shall report its findings and recommendations to the General Assembly prior to the convening of the 1989 session. G.S. 62-133.2 is repealed in its entirety effective July 1, 1989. The legislation was ratified and made effective July 24, 1987.

c. Require Implementation of Least Cost Planning Initiatives by Utilities: Chapter 354, Senate Bill 813 amends G.S. 62-2 by adding a new subsection 3a. This act states that in order to provide adequate, reliable utility service to meet future growth, the entire spectrum of demand-side options should be used, including conservation, load management, and efficiency programs as additional sources of energy supply and/or energy demand reductions. This act requires energy planning and fixing of rates in a manner to result in the least cost mix of generation and demand-reduction measures which is achievable, including consideration of appropriate rewards to utilities for efficiency and conservation which decrease utility bills. This bill was ratified and made effective June 12, 1987.

d. Request a Water or Sewer Utility Company to Post a Bond. Chapter 490, House Bill 747. This bill states that no franchise may be granted to any water or sewer utility company until the applicant furnishes a bond secured with sufficient surety as approved by the Commission in an amount not less than ten thousand dollars and not more than two hundred thousand dollars. The bond shall be conditioned upon providing adequate and sufficient service within all the applicant's service areas. This bill was ratified and made effective June 26, 1987.

FIGURE NO. 1-3
NORTH CAROLINA UTILITIES COMMISSION
Receipts and Expenditures
Fiscal Year Ended June 30, 1987

Source	Commission Staff	Public Staff [1]	Total N.C. Utilities
General Fund Appropriation	$2,039,492.54	$3,092,822.88	$5,132,315.42
Other Receipts			
Alternative Energy Corporation	66,820.16	0	66,820.16
Miscellaneous Revenues	298.84	1,460.66	1,759.50
Fees Collected by Commission:			
Office of Chief Clerk	114,005.69	1,276.95	115,282.64
Court Reporter Fees	6,733.60	0	6,733.60
Legal Fees - Gas Co.	44,054.96	0	44,054.96
Transfer - Prior Fiscal Year	4,180.00	0	4,180.00
Federal Funds			
U.S. Gas Safety Program	97,028.00	0	97,028.00
Rail Safety	58,891.00	0	58,891.00
Total Receipts	$2,431,504.79	$3,095,560.49	$5,527,065.28
Expenditures			
Salaries and Wages	$1,763,430.52	$2,442,240.56	$4,205,671.08
Fringe Benefits	349,559.47	500,365.68	849,925.15
Legal and Consulting Fees	63,837.17	0	63,837.17
Materials and Supplies	8,683.18	6,411.17	15,094.35
Travel	90,792.23	47,187.16	137,979.39
Postage, Telephone, Printing	75,240.64	41,189.73	116,430.37
Photocopying	29,069.70	21,002.08	50,071.78
Repairs of Building and Equipment	2,165.64	1,105.21	3,270.85
Data Processing Service	0	6,129.43	6,129.43
Employee Educational Expenses	669.00	894.00	1,563.00
Other Services and Expenses	1,483.80	28.68	1,512.48
Rent - Building and Offices	720.00	120.00	840.00
Insurance and Bonding	219.48	136.32	355.80
Service and Maintenance Contracts	19,237.31	5,177.47	24,414.78
Dues and Subscriptions	6,979.05	8,027.94	15,006.99
Office Furniture, Equipment, Books	15,983.43	8,572.29	24,555.72
Data Processing Equipment	3,174.15	6,792.46	9,966.61
Other Expenses	260.02	180.31	440.33
Total Expenditures	$2,431,504.79	$3,095,560.49	$5,527,065.28
Number of Positions	57[2]	79	136

[1] The 1977 N.C. General Assembly amended General Statute 62 to provide for a Public Staff in the Utilities Commission to represent the using and consuming public. Effective July 1, 1977, the Commission was completely restructured into two staffs, creating a budget for each staff.

[2] As of September 1, 1983, twenty-five (25) positions were transferred to the Department of Transportation, Division of Motor Vehicles to continue to administer the registration and insurance functions relating to the regulated motor passenger and motor freight carriers of North Carolina.

II. Selected Commission Activities April 1987 through March 1988

A. GENERAL

1. Public Involvement

The Commission has continued its emphasis on improving its public image by making its activities open for participation by the public and other interested parties. The table below shows the number of formal hearings held in Raleigh and in the service areas of the utilities involved; many of these hearings were held at night.

	Year Ended December 31			
	1984	1985	1986	1987
Total Formal Hearings Held	240	279	239	213
Number of Hearings Held Away From Raleigh, in Utility Service Areas	64	43	49	46
Percent of Total Hearings Held Away From Raleigh	27%	15%	21%	22%

The primary reason for holding hearings in the service areas of the utilities involved in the hearings is to make it easier for the local consumers and general public to attend and to offer testimony if they so choose. Attendance at such hearings provides a broader knowledge of the scope and complexities of issues with which the Commission, the Public Staff, and all other participants must deal.

Advance public notice is given for all hearings of general interest and especially rate case hearings. Also news releases are made of important Commission decisions and activities. All Commission weekly conferences (Monday mornings generally) are open to the public as a spectator or participant.

For a summary of Commission proceedings docketed and heard in 1986 see Figure No. 2-1.

B. ELECTRIC

1. Load Forecast--N.C. Electricity Needs (1988-1997)

The General Statutes of North Carolina require that the Commission develop an analysis of the long-range needs for expansion of facilities for the generation of electricity in North Carolina (G.S 62-110.1). On December 1, 1983, the Commission issued its order adopting updated forecasts and plans for meeting long-range needs for electric facilities in North Carolina--1982/1983 in Docket No. E-100, Sub 46. The Order contained the most recent findings and conclusions of the Commission regarding generating capacity expansion by electric utilities serving North Carolina.

On July 17, 1984, the Commission issued an Order scheduling further hearings in Docket No. E-100, Sub 50, for the purpose of considering further updates to the various load forecasts and capacity expansion plans. The hearings were held in April 1986 because there were no dramatic changes in the rate of growth in demand for electricity since the adoption of the Commission's last forecast in Docket No. E-100, Sub 46. On August 18, 1986, the Commission issued its Order Adopting Updated Forecast and Plan for Meeting Long-Range Needs for Electric Generating Facilities in North Carolina--1985/86 in Docket No. E-100, Sub 50. The Order contained the findings and conclusions of the Commission regarding generating capacity expansion by electric utilities serving North Carolina. In June 1987 the Commission issued a report updating its August 18, 1986, Order pursuant to G.S. 62-110.1.

The rates of growth in kW peak demand for CP&L, Duke Power, and Vepco for the period 1988-1997, taking into account conservation, load management, and emerging alternative energy resources which appear most likely at

this time, should fall in the following ranges:

Company	% Annual Growth Rates in Peak Demand During (1988-1997)
CP&L	1.5% - 1.9%
Duke	2.5% - 3.0%
Vepco	2.8% - 3.0%

Forecasting electric load growth for many years into the future is an imprecise art at best. Virtually all of the forecasting tools in common use today assume that certain historical trends or relationships will continue into the future, and that historical correlations give meaningful clues to future behavioral patterns. As a result, any shift in such correlations or relationships can introduce significant errors into the forecast. A prime example of such shift in historical relationships was the shift in energy usage patterns following the dramatic increase in fuel oil prices during the mid 1970's, an event which rendered virtually all prior forecasts invalid.

The current load forecasts adopted by the Commission are based in large part on the premise that conservation, load management, and emerging alternative resources represent permanent changes in the approach of society toward the use of energy. However, uncertainties concerning when the various known energy alternatives will become available in sufficient quantity to be of significant impact during the current planning horizon places the Commission in the position of having to evaluate "most likely" forecasts, while at the same time working to encourage energy alternatives which could change those "most likely" forecasts. Thus, the Commission finds it necessary to allow for a great deal of flexibility in the planning for generation capacity expansion.

2. The Alternative Energy Corporation

Creation and Structure

The North Carolina Alternative Energy Corporation (AEC) was established by the North Carolina Utilities Commission in 1980 to identify, adapt, and promote alternative energy technologies and systems suited to North Carolina requirements. The AEC is a quasi-public, non-profit, private corporation that secures financial support from both the regulated and nonregulated electric suppliers in North Carolina. The AEC is the nation's only cooperative joint venture in energy between government and public and private power organizations. In early 1985, the original five-year lifetime for the corporation was extended to December 31, 1990, by action of the Utilities Commission following a full public hearing.

The AEC's projects are organized into five program areas that parallel energy use--agriculture, community, industry, residential/commercial, and utility.

Ratepayer contributions are proportional to kilowatt-hour sales and total about $2.3 million annually--37 cents per year for each resident of North Carolina.

During 1987, the AEC completed testing the performance of solar domestic hot water systems in 24 North Carolina residences. The results revealed that they are twice as efficient as conventional electrical water heating systems. Average energy savings for the test group with continuously available electrical backup was 165 to 189 kilowatt hours per month compared to conventional electrical hot water systems. Of interest to the utilities the solar systems reduced peak demand per resident one kilowatt in the summer and one kilowatt in the winter.

North Carolina industries annually use over 35% of the state's electricity at a cost of over $1 billion. It is clearly in their best interest to

pursue more effective ways to use energy. While over 850 megawatts of steam turbine cogeneration have successfully proved their value to industry, the AEC and Burlington Industries introduced a cogenerator technology not previously used in the state--a 400 kilowatt induction cogenerator--into Burlington's Raeford plant. Savings of approximately $25,000 per year are being realized, even though the plant is not operating at full capacity.

C. Railroad Station Closings and Changes

There were 50 railroad station closings and changes during the period January through December 1987. See Figure No. 11-3 in the Railroad section for more detailed information and listings.

D. Consumer Pocketbook Issues

1. General Rate Case Decisions 1971-1987

A summary of the Commission decisions in general rate cases for the 17-year period from 1971 through December 31, 1987, for the electric, gas, and telephone groups show that 58.7% of the amount requested has been granted. Broken down by groups the amounts granted were electric--59.9%; gas--65.2%; and telephone--53.3%. See Figure No. 2-2 for yearly totals.

During the most current 7-year period of 1981 through December 1987, the percentage granted for each group was less than for the previous 11 years. The amount granted during the most current 7 years was about 60% more than was granted during the previous 11-year period. The following table shows the progression of amounts requested and granted during the last six years compared to the amounts requested and granted during the period from 1971 through 1980.

Period/Group		Requested (000's)	Granted (000's)	% Granted
1971-1980	Elec.	$1,003,063	$ 731,261	72.9
	Gas	54,512	36,633	67.2
	Phone	323,291	172,707	53.4
	Total	$1,380,866	$ 940,601	68.1
1981-1987	Elec.	$2,127,180	$1,145,122	53.8
	Gas	87,615	55,968	63.9
	Phone	603,293	321,536	53.3
	Total	$2,818,088	$1,522,626	54.0
1971 1987	Elec.	$3,130,243	$1,876,383	59.9
	Gas	142,127	92,601	65.2
	Phone	926,584	494,243	53.3
	Total	$4,198,954	$2,463,227	58.7

Many factors such as interest rates, quality of service, cost of fuel, availability of gas supplies, future demands for utility service and utility managerial efficiency contribute to the final decisions reached by Commissioners in general rate case decisions. All of these factors are thoroughly investigated and evaluated by the Public Staff of the Commission for each rate case, and then presented to the Commission for consideration as to treatment in the case. Additionally, the Company and intervenors representing various groups and viewpoints offer expert testimony and their counsel engages in extensive cross examination of all pertinent testimony presented during the hearings. Some facts, however, lie beyond the control of the Commission and can account for even larger increases than the rate cases themselves. Cost of gas to the gas company from the State's only supplier, Transcontinental Gas Pipeline Corporation (TRANSCO) requires an adjustment to consumers' gas rates, but this type of adjustment is made through a staff conference rather than through a general rate case. Fuel consumed for the generation of electricity was adjusted at intervals through regular open conference and modified several times over the years until the current procedure of annual filings for rate adjustments for fuel cost was adopted on May 1, 1984. For both gas companies and electric companies, the price, or cost adjustment to the ultimate consumer, is not necessarily the result of just general rate cases and, in fact, these cost adjustments can have as much or an even greater effect on the cost of services to the ultimate consumer than any other aspect of the industry.

2. N.C. Utility Rates vs. Consumer Price Index (CPI)

The Consumer Price Index for All Urban Consumers (CPI-U) reflects the average change in the retail prices of a fairly broad but select "market basket" of consumer goods and services. It has been the most popular index because it is reported monthly as opposed to the quarterly publication of the Gross National Product Deflator, and it is not revised after its initial publication. For the year 1987, residential electric rates increased over the 1986 rates from an average of 7.15 cents per kWh to 7.32 or 2.38% for this same period, the CPI-U increased from 328.4 to 340.4 or 3.65%.

North Carolina residential customer usage of kWhs of electricity increased in 1986 over 1985 by 5.2% whereas the U.S. average increased by approximately 1.6%. North Carolina usage has consistently exceeded the national average, this is partially due to the North Carolina rates per kWh being lower than the national average, viz; the average North Carolina cost for each residential kWh in 1986 was 7.15 cents vs. 7.70 cents or 8.21% lower.

The cost increase for a dekatherm of natural gas increased .46% in 1987 over 1986 and the average monthly telephone bill for local service for both residential and business customers decreased 4.12% in 1987 over 1986 vs. the 3.65% increase in the CPI-U.

The following table shows the electric, gas, and telephone utility costs compared to the CPI-U for the years of 1975 through 1985 and 1986 to 1987.

N.C. Utility Rates vs. Consumer Price Index (CPI)

Year Ended December 31	Average Residential Electric Rates Per kWh (Cents)	Average Residential Gas Rates Per Dekatherm ($)	Average Monthly Telephone Bill For Local Service (All Customers) ($)	Consumer Price Index All Urban Consumers
1975	3.09	$2.05	$14.88	161.2
1980	4.29	$4.08	$19.78	246.8
1984	6.64	$6.52	$22.37	311.1
1985	6.86	$6.46	$22.64	322.2
1975-1985 % Change	122.01%	215.12%	52.15%	99.88%
1986	7.15(a)	$6.52(b)	$22.79(c)	328.4
1987	7.32(a)	$6.55(b)	$21.65(c)	340.4
1986-1987 % Change	2.38%	.46%	(4.12%)	3.65%

(a) This figure is a composite of the four Class A Electric companies in operation in North Carolina.

(b) This figure is a composite of these three North Carolina Gas Companies: N.C. Natural Gas, Public Service Co. of N.C., and Piedmont Natural Gas Co.

(c) This figure is the local service revenues divided by the total yearly average number of business and residential access lines on a monthly basis for the twelve largest North Carolina telephone companies.

FIGURE NO. 2-1

TOTAL VOLUME OF PROCEEDINGS BROUGHT BEFORE THE COMMISSION
DURING THE CALENDAR YEAR ENDED DECEMBER 31, 1987

	Year	Buses	Electric	Gas	Railroads	Telephone	Trucks	Water & Sewer	Gen. & Misc.	Grand Total
Total Proceedings Before Commission	1987	34	51	39	17	621	868	213	20	1,863
Disposition of Proceedings										
1. Formal hearings held with orders to follow:	1987	8	15	7	17	25	100	74	9	255
2. Conferences with informal hearings held with the following type of decisions resulting:										
a. Regular and Letter Type	1987	1	36	32	0	596*	6	139	11	821
b. Short form orders issued	1987	25**	0	0	0	0	762**	0	0	787
Total Proceedings Accounted For	1987	34	51	39	17	621	868	213	20	1,863
Percent of Grand Total	1987	1.83%	2.74%	2.09%	0.91%	33.33%	46.59%	11.43%	1.07%	100.00
Cases on Appeal at 12-31-87		0	4	3	0	1	0	0	2	10
Docketed Cases Open at 12-31-87		0	14	3	0	10	1	3	11	42

*Includes 539 tariff filings and 14 map filings.

**Applications for tariff revisions on less than the 30 day statutary notice. Because of deregulation of the trucking industry in 1984, most tariff fillings were for decreases in rates.

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FIGURE NO. 2-2
ELECTRIC, GAS, & TELEPHONE GENERAL RATE CASE DATA
AMOUNTS REQUESTED & GRANTED.
FOR CALENDAR YEARS 1971-1987 (A)
($000s)

Electric Group	Requested	Granted	% Granted
1971	56,533	39,045	69.1
1972	63,728	48,120	75.5
1973	32,555	22,769	69.9
1974	144,793	61,439	42.4
1975	186,871	175,255	93.8
1976	82,656	82,656	100.0
1977	77,711	49,615	63.8
1978	83,996	51,423	61.2
1979	35,511	28,314	79.7
1980	238,709	172,625	72.3
Sub Total	$1,003,063	$731,261	72.9
1981	$379,813	$299,200	78.8
1982	382,009	80,244	21.0
1983	298,072	186,919	62.7
1984	364,717	195,541	53.6
1985	292,763	157,671	53.9
1986	236,455	133,080	56.3
1987	173,351	92,467	53.3
Sub Total	$2,127,180	$1,145,122	53.8
Grand Total	$3,130,243	$1,876,383	59.9

Gas Group	Requested	Granted	% Granted
1971	6,414	4,955	77.3
1972	277	175	63.2
1973	7,220	2,264	31.4
1974	4,806	4,806	100.0
1975	5,952	4,817	80.9
1976	0	0	0.0
1977	4,451	1,514	34.0
1978	18,124	12,533	69.2
1979	5,984	4,353	72.7
1980	1,284	1,216	94.7
Sub Total	$54,512	$36,633	67.2
1981	$8,801	$5,610	63.7
1982	31,397	23,615	75.2
1983	13,615	3,057	22.5
1984	0	0	0.0
1985	19,744	15,049	76.2
1986	13,701	8,393	61.3
1987	357	244	68.3
Sub Total	$87,615	$55,968	63.9
Grand Total	$142,127	$92,601	65.2

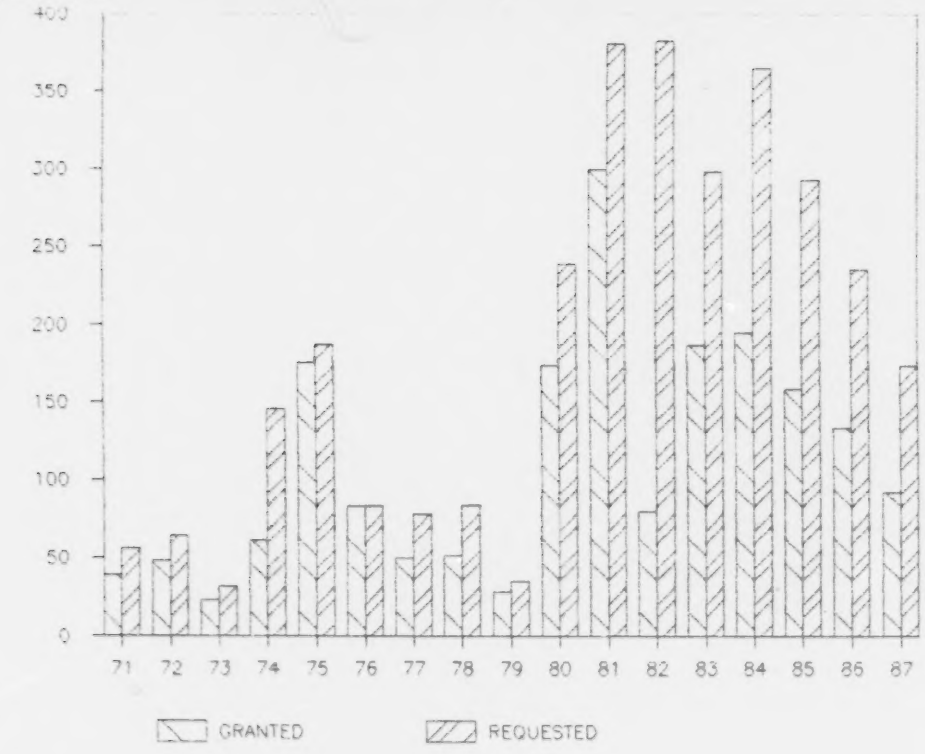
Telephone Group	Requested	Granted	% Granted
1971	25,512	14,722	57.7
1972	34,323	15,834	46.1
1973	9,299	3,993	42.9
1974	33,812	8,271	24.5
1975	76,477	51,015	66.7
1976	14,683	10,232	69.7
1977	4,325	3,591	83.0
1978	73,766	36,000	48.8
1979	5,812	3,560	61.3
1980	45,282	25,489	56.3
Sub Total	$323,291	$172,707	53.4
1981	$116,382	$74,526	64.0
1982	190,393	114,383	60.1
1983	177,407	67,559	38.1
1984(B)	104,105	56,757	54.5
1985	2,432	879	36.1
1986	11,862	7,077	59.7
1987	712	355	49.9
Sub Total	$603,293	$321,536	53.3
Grand Total	$926,584	$494,243	53.3

Electric, Gas, & Telephone Groups	Requested	Granted	% Granted
1971	88,459	58,722	66.4
1972	98,328	64,129	65.2
1973	49,074	29,026	59.1
1974	183,411	74,516	40.6
1975	269,300	231,087	85.8
1976	97,339	92,888	95.4
1977	86,487	54,720	63.3
1978	175,886	99,956	56.8
1979	47,307	36,227	76.6
1980	285,275	199,330	69.9
Sub Total	$1,380,866	$940,601	68.1
1981	$504,996	$379,336	75.1
1982	603,799	218,242	36.1
1983	489,094	257,535	52.7
1984	468,822	252,298	53.8
1985	314,939	173,599	55.1
1986	262,018	148,550	56.7
1987	174,420	93,066	53.4
Sub Total	$2,818,088	$1,522,626	54.0
Grand Total	$4,198,954	$2,463,227	58.7

a) Regarding the columns entitled amounts requested and granted, the final amounts requested from the utility companies are listed.
b) These figures include an amount ($4,781,000) of toll revenues from the American Telephone & Telegraph Company toll settlement hearing (Docket No. P-100, Sub 69, dated 9-14-84).

FIGURE NO. 2-2 CONTINUED

ELECTRIC:



GAS:

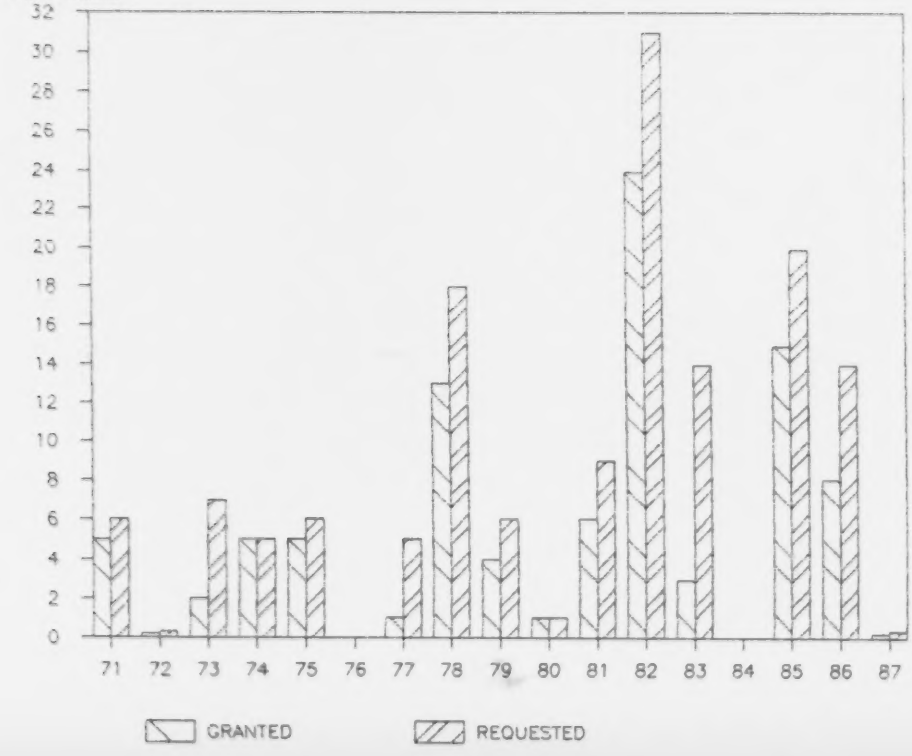
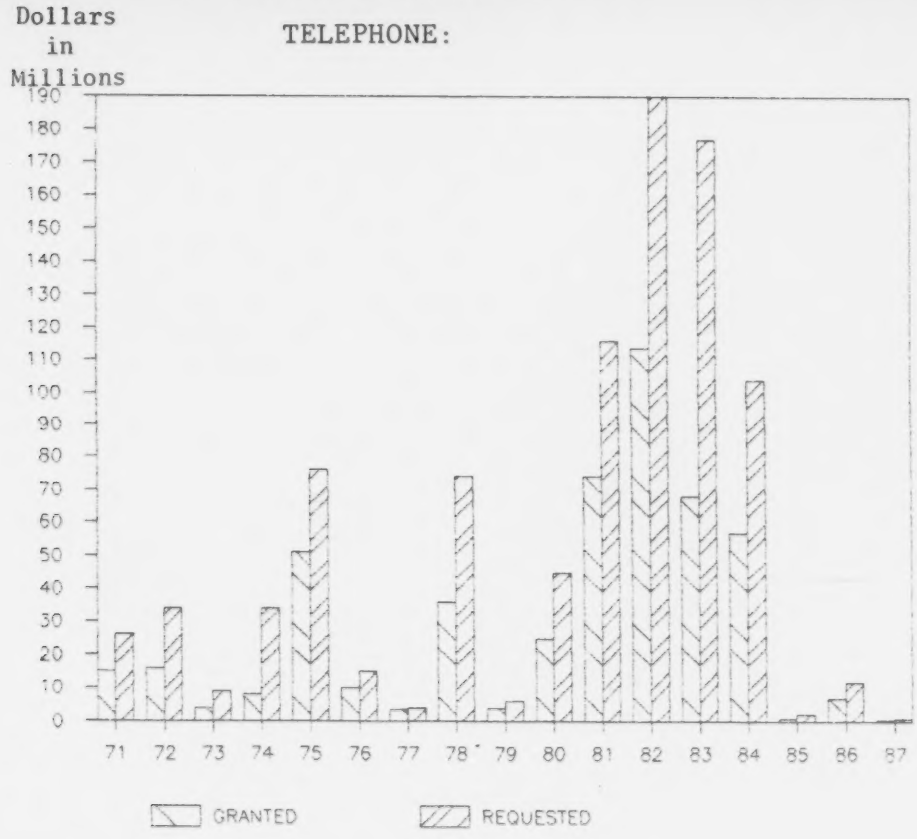
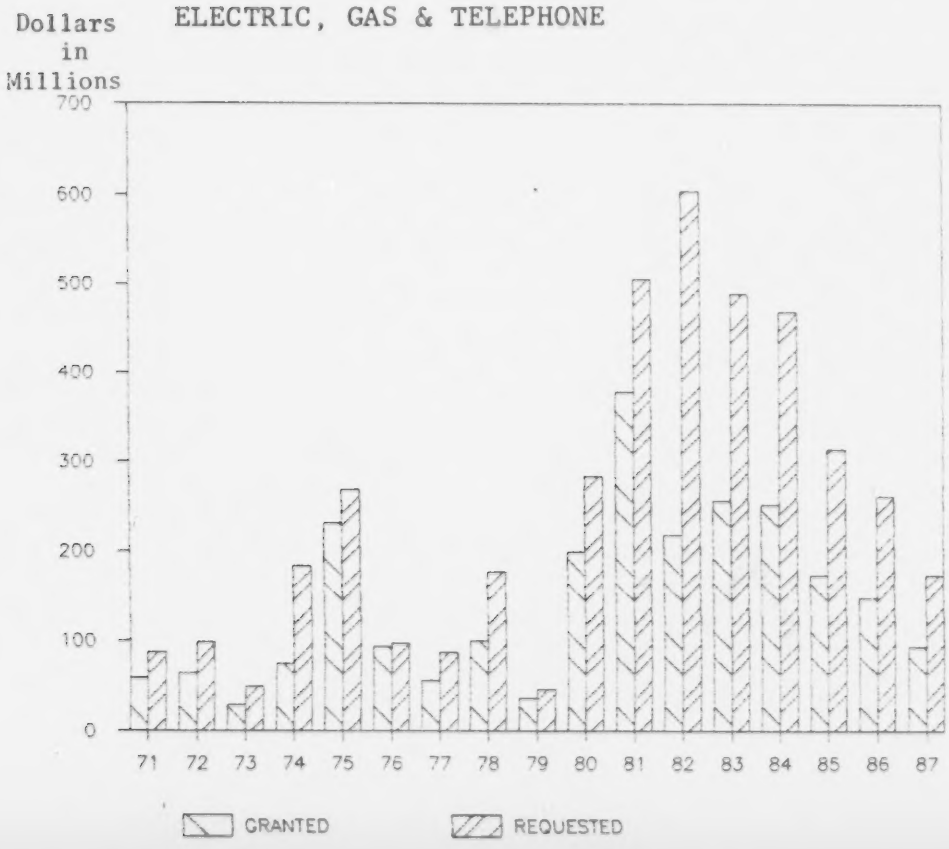


FIGURE NO. 2-2 CONTINUED

TELEPHONE:



ELECTRIC, GAS & TELEPHONE



III. Summary Of The Commission Activities And Operations — 1986 And Prior Years

A. OVERVIEW OF SIZE, OPERATING RESULTS, AND NUMBER OF COMPANIES REGULATED

As shown on Figure No. 3-1, the major regulated electric, gas, and telephone companies experienced increases in plant investment, total capitalization, and total customers served or access lines in service. At December 31, 1986, there were 1,545 companies regulated by the North Carolina Utilities Commission as compared with 1,496 in 1985. In additional, 80 municipal utility systems, while not regulated by the Commission, were required to file annual reports, making a grand total of 1,625 utilities regulated or required to file annual reports, as of December 31, 1986. Many changes take place annually in various utility groups since new companies are being certified and others are being deleted because of sales, mergers, and abandonments. See Figure No. 3-2.

B. COMMISSION CASE LOAD: FORMAL AND INFORMAL HEARINGS

In addition to the multiplicity of decisions made informally by the Commission in conferences with its staff and interested parties, the Commission maintains a full docket of formal and semiformal hearings and conferences. There are many small complaints and inquiries disposed of daily by individual Commissioners and individual staff heads (both Commission and Public Staff). These complaints are handled through discussions with utility customers, executives, representatives, organizations, and associations.

During 1986 there were 1,605 proceedings acted upon, as compared to 1,422 proceedings in 1985. There were 239 formal hearings and 1,366 informal hearings in 1986. In 1985 there were 279 formal hearings and 1,143 informal hearings.

The proceedings required much time and effort by personnel of both the Commission and Public Staffs and even more time in actual public hearings. The number of pages transcribed by the court reporters for the years 1975 through 1986 are as follows:

Year	No. of Pages Transcribed
1975	27,938
1976	23,942
1977	30,056
1978	34,057
1979	28,442
1980	28,829
1981	34,205
1982	25,447
1983	28,191
1984	27,737
1985	23,051 (a)
1986	20,510 (a)

(a) There were 6,090 additional pages transcribed in 1985, and 1,775 additional pages transcribed in 1986 by outside court reporting firms.

The general rate increase hearings continued to generate much public interest in 1986. The Attorney General represented some segments of the public sector who wished to intervene while others provided their own legal counsel. In addition, the Commission's Public Staff intervened in most cases and made their recommendations to the Commissioners. The Public Staff was created by the 1977 Legislature as an independent advocate charged with the responsibility of representing the using and consuming public.

Many docketed issues are settled by letter type orders and rulings. There were 695 of these type orders issued in 1986. These are largely matters in which no one has intervened or no general public interest has been demonstrated, as in the case of many gas, electric, telephone, and transportation filings. These type proceedings generally require only about 10% to 20% of the time of the Commission's staff and Commissioners.

Complaint Activity

Another important facet of the Commission and Public Staff workload involves the handling of customer complaints dealing with all aspects of utility operations and services. A vast majority of these complaints are settled without becoming a docketed item and going into formal hearing proceedings. The Public Staff's Consumer Services Division investigated and resolved a majority of these complaints. To illustrate the magnitude of this phase of the Commission workload, the number of complaints received and handled in 1986 was 4,751 compared to 4,913 in 1985 and 5,625 in 1984.

C. GENERAL IMPACT OF THE REGULATED UTILITIES ON THE ECONOMY OF NORTH CAROLINA IN 1986

The regulated utility companies made significant contributions to the economy of the State during 1986. There were 1,625 major utility companies in 1986 compared to 1,576 major utility companies in 1985. Figure Nos. 3-3, 3-4, and 3-5 portray the magnitude of the contributions in chart and table form. In 1986 employment by the utilities showed an increase of 2.9% from the previous year. Salaries and wages paid to the utility employees continued to increase in dollar amount from more than $2.3 billion in 1985 to nearly $2.5 billion in 1986, a 5.4% increase. It should be noted that the salaries and wages paid by motor freight and motor passenger carriers include some nonregulated salaries and wages. Accurate and precise separated data is not currently available.

State income, franchise, and property taxes paid by the regulated sector of the State's business community continued to be substantial. The decline in the franchise tax is largely due to the transfer of approximately 50 percent of what used to be the six percent gross receipts tax on telephone companies and public utilities to the sales tax schedule. The transfer was enacted to enable North Carolina tax payers who itemize income tax expenses to use that portion of the tax as a deduction against federal personal income taxes.

Type Taxes	Utilities Percent of State Totals 1985	1986
State Franchise Taxes	47.4	64.3
Local Property Taxes	5.7	5.4
State Income Taxes (Corporations Only)	19.1	16.7
Bus and Truck Fees	22.0	15.0
Total of Above Taxes	15.4	13.9

In 1986, gross operating revenues continued to increase for both electric and telephone utilities. Figure No. 3-5 depicts this growth with the four Class A electric companies showing an increase of 11.6% in 1986 compared to 1985.

Investment in gross plant allocated to North Carolina by the electric, gas, and telephone utility companies continued to increase over the previous year. There was an 7.7% increase in the 1986 total gross plant allocated to North Carolina compared to the previous year making a total of more than $18 billion as of December 31, 1986, ($18,643,874). The increased electric and gas plant investment will serve the increasing number of electric and gas customers which numbered 2,403,382 in 1986 compared to 2,304,870 in 1985. In 1986 there were 2,746,345 telephone access lines reported compared to 2,625,781 in 1985. The telephone industry changed its system of reporting the number of telephones served by each company to the number of access lines (P-100, Sub 58 dated January 11, 1982). As a result of the 4.6% increase in access lines, more funds will be required to provide adequate service to these additional access lines. The use of the term "access" lines instead of "main" lines and the change in method of counting these lines results primarily from the divestiture of American Telephone and

Telegraph Company of its operating companies.

The regulated motor freight, motor passenger, and railroad industries play an important role in the industry of North Carolina. However, due to accounting classification changes and the changes in reporting of information by carriers, less information was available than has been in the past. For detailed information please refer to section nine for The Transportation Industry --Motor Freight Carriers, section ten for The Transportation Industry -- Motor Passenger Carriers, and section eleven for The Transportation Industry -- Railroads.

FIGURE NO. 3 1

HIGHLIGHTS OF ACTIVITIES
ELECTRIC, GAS, & TELEPHONE UTILITIES
1986 VS. 1985
(Dollars in Thousands)

Revenues and Expenses (N.C. Only):	Electric Class A 1985	Electric Class A 1986	Electric Class A % Change	Gas All Classes 1985	Gas All Classes 1986	Gas All Classes % Change	Telephone All Classes 1985	Telephone All Classes 1986	Telephone All Classes % Change
Operating Revenues	$3,858,412	$4,306,121	11.6	$636,479	$609,037	(4.3)	$2,336,649	$2,414,048	3.3
Operating Expenses	$3,152,720	$3,563,519	13.0	$601,718	$566,432	(5.9)	$1,991,987	$2,030,988	2.0
Net Operating Income Including Taxes	$705,699	$742,602	5.2	$34,761	$42,605	22.6	$344,662	$383,060	11.1
Other Income (Deductions) Net (A)	$317,285	$306,286	(3.5)	$3,351	$3,088	(7.8)	$28,284	$30,222	6.9
Fixed Charges	$403,225	$390,835	(3.1)	$20,151	$21,079	4.6	$114,281	$107,494	(5.9)
Net Income	$619,759	$658,053	6.2	$17,961	$24,614	37.0	$258,665	$305,788	18.2
Plant (N.C. only):									
Gross Plant (B)	$11,882,039	$12,927,876	8.8	$585,155	$638,773	9.2	$4,849,443	$5,077,225	4.7
Accumulated Depreciation	$2,768,960	$3,007,388	8.6	$177,459	$192,276	8.3	$1,342,895	$1,510,779	12.5
Net Plant	$9,113,079	$9,920,488	8.9	$407,696	$446,497	9.5	$3,505,548	$3,566,446	1.7
Capital Structure (Systemwide)(C):									
Capital Stock & Surplus	$9,524,743	$9,781,800	2.7	$197,036	$233,356	18.4	$7,419,648	$7,927,316	6.8
Long Term Debt	$8,741,147	$8,944,691	2.3	$202,452	$241,276	19.2	$5,231,703	$5,256,410	0.5
Total Capital Structure	$18,265,890	$18,726,491	2.5	$399,488	$474,632	18.8	$12,651,351	$13,183,726	4.2
Long Term Debt % of Total Capitalization	47.9	47.8	(0.2)	50.7	50.8	0.2	41.4	39.9	(3.6)
Other Statistics (N.C. Only):									
Total Customers Yearly Average	1,893,012	1,969,372	4.0	411,858	434,010	5.4			
Average Number of kWhs per Residential Customer	11,364	12,051	6.0						
Average Number of Dekatherms Used Per Residential Customer				74	78	5.4			
Average Revenue per kWh or Dekatherm per Residential Customer (Cents)	6.86	7.18	4.7	6.46	6.5	0.6			
Total Access Lines in Service							2,625,781	2,746,345	4.6
Average No. of Calls per Access Line: (D)									
Local							2,736	2,889	5.6
Toll							394	511	29.7

(A) Includes all allowance for funds used during construction (AFUDC) and all extraordinary and delayed items.
(B) Includes Plant in Service, Under Construction, Held for Future Use, and Leased to Others.
(C) Previous AT&T reports included systemwide data. This report includes AT&T Southern States data.
(D) Information available for the nine largest telephone companies.

FIGURE NO. 3-2

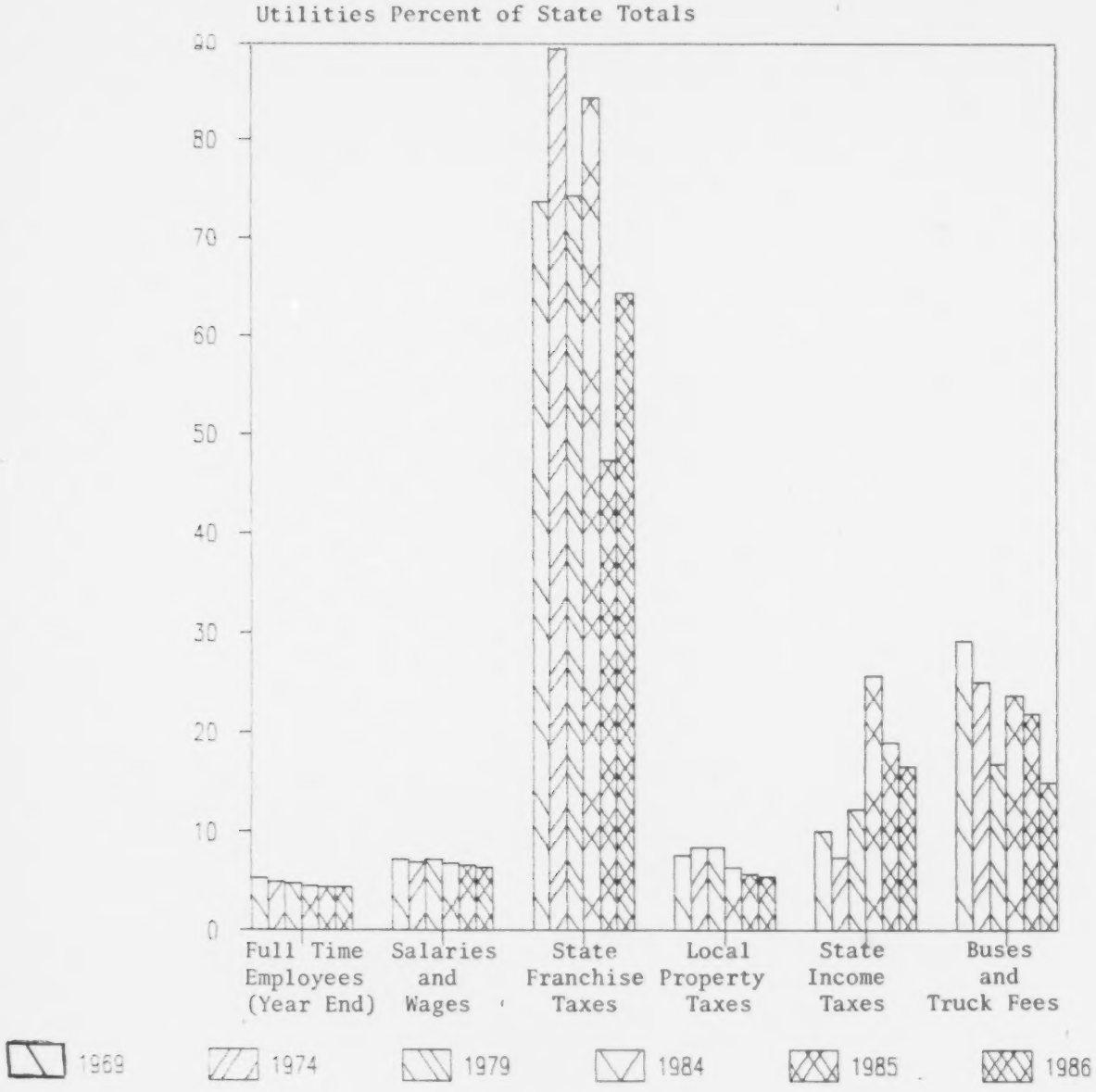
MAJOR UTILITIES REGULATED AND REPORTING TO THE
NORTH CAROLINA UTILITIES COMMISSION
1973, 1978, 1984, 1985, 1986

Type of Utility or Service	Number as of December 31				
	1973	1978	1984	1985	1986
Electric	13	10	7	6	6
Gas	5	5	4	4	4
Motor Freight Carriers by Type:					
Common Carriers	529	533	642	681	789
Contract Carriers	77	89	195	209	162
Common & Contract Carriers	19	21	53	57	49
Railroad Motor Freight Carriers	5	5	0	0	0
Total Motor Freight Carriers	630	648	890	947	1,000(a)
Motor Passenger Carriers by Type:					
Common Carriers	45	59	45	46	46
Contract Carriers	7	4	1	1	2
Intracity Carriers (Fares only regulated)	9	10	2	2	4
Total Motor Passenger Carriers	61	73	48	49	52
Motor Boat Common Carriers	3	2	3	3	3
Railroad Companies	23	23	20	22	21
Transportation Brokers	5	27	62	58	58
Telephone	28	22	20	20	20
Telegraph	1	1	1	1	1
Water & Sewer	243	403	378	386	380
Total Utilities Under Regulation	1,012	1,214	1,433	1,496	1,545
Municipal Utility Systems Required to File Annual Reports with N.C. Utilities Commission:					
Electric	72	71	71	71	71
Gas	8	8	8	8	8
Telephone	1	1	1	1	1
Total Municipals Filing Annual Reports	81	80	80	80	80
Grand Total of all Utilities Regulated or Required to File Reports	1,093	1,294	1,513	1,576	1,625

(A) This figure for total number of motor freight carriers franchised to operate is as of July 30, 1987.

FIGURE NO. 3-3

IMPACT OF REGULATED UTILITIES ON THE ECONOMY OF NORTH CAROLINA
1969, 1974, 1979, 1984, 1985, 1986



1986 Data
(Dollars in 000s)

Utilities	99,020	$ 2,468,083	$171,562	$ 94,401	$ 85,210	$10,405
State Totals	2,297,759	$38,561,539	$266,795	$1,753,362	$510,675	$69,200

FIGURE NO. 3-4
IMPACT OF REGULATED UTILITIES ON THE ECONOMY OF NORTH CAROLINA
SELECTED STATISTICS ABOUT EMPLOYMENT, WAGES, AND CERTAIN TAXES
PAID OR LEVIED--FOR THE YEARS 1969, 1974, 1979, 1984, 1985 AND 1986

Number of Full-Time Employees (N.C. Portion Only)

	1969	1974	1979	1984	1985	1986
Electric (Class A Only)	8,824	14,524	17,959	21,017	21,798	23,075
Gas	1,863	1,851	1,891	2,305	2,404	2,697
Telephone	16,526	20,146	21,188	17,170	16,523	16,309
Motor Freight Carriers (A)	33,472	37,183	41,734	46,298	47,917	49,633
Motor Passenger Carriers (A)	2,667	2,770	2,168	2,197	2,076	2,166
Railroads	7,449	7,515	6,987	6,183	5,428	5,100
Western Union	294	239	110	66	53	40
Total Utilities	71,095	84,228	92,037	95,236	96,199	99,020
Total for State	1,333,349	1,724,709	1,935,641	2,138,137	2,223,223	2,297,759
Utilities % of State Total	5.3%	4.9%	4.8%	4.5%	4.3%	4.3%

Salaries and Wages Paid to N.C. Employees (000s)

	1969	1974	1979	1984	1985	1986
Electric (Class A Only)	$69,817	$168,099	$297,320	$586,984	$647,158	$705,671
Gas	$12,716	$17,094	$26,774	$48,771	$53,141	$59,957
Telephone	$108,143	$206,008	$359,413	$458,157	$474,053	$490,138
Motor Freight Carriers (A)	$253,258	$397,185	$657,291	$941,821	$974,330	$1,035,028
Motor Passenger Carriers (A)	$16,508	$22,578	$27,787	$36,736	$34,909	$37,153
Railroads	$66,028	$100,255	$136,493	$160,162	$154,903	$138,955
Western Union	$2,006	$1,899	$1,324	$2,219	$2,186	$1,181
Total Utilities	$528,476	$913,118	$1,506,402	$2,234,850	$2,340,680	$2,468,083
Total for State (A)	$7,380,668	$13,107,494	$21,050,398	$32,761,445	$35,586,322	$38,561,539
Utilities % of State Total	7.2%	7.0%	7.2%	6.8%	6.6%	6.4%

Average Annual Compensation

	1969	1974	1979	1984	1985	1986
Electric (Class A Only)	$7,912	$11,754	$16,555	$27,929	$29,689	30,582
Gas	$6,825	$9,235	$14,159	$21,159	$22,105	22,231
Telephone	$6,544	$10,226	$16,963	$26,683	$28,690	30,053
Motor Freight Carriers	$7,566	$10,682	$15,750	$20,343	$20,334	20,854
Motor Passenger Carriers	$6,190	$8,151	$12,817	$16,721	$16,816	17,153
Railroads	$8,864	$13,341	$19,535	$25,904	$28,538	27,246
Western Union	$6,823	$7,946	$12,036	$33,621	$41,245	29,525
Total Utilities	$7,433	$10,841	$16,367	$23,466	$24,332	24,925
Total for State	$5,535	$7,600	$10,875	$15,322	$16,007	16,782

(A) Table 1, "Insured Employment & Wage Payments" for years reported: Motor Freight--Industry Group 421; Motor Passenger--Industry Group 411 & 413. This data includes both regulated and non-regulated. The regulated freight carriers number about 1/3 and the passenger carriers about 58% of the total carriers included in the statewide industry groupings. A reliable and accurate separation between regulated and non-regulated wages and salaries for these groups is not available. State totals are for all industries with insured employment.

FIGURE NO. 3-4 CONTINUED
IMPACT OF REGULATED UTILITIES ON THE ECONOMY OF NORTH CAROLINA
SELECTED STATISTICS ABOUT EMPLOYMENT, WAGES, AND CERTAIN TAXES
PAID OR LEVIED--FOR THE YEARS 1969, 1974, 1979, 1984, 1985 AND 1986

State Franchise Taxes ($000s)

	1969	1974	1979	1984	1985	1986
Electric (Class A Only)	$24,338	$63,952	$117,579	$212,661	$113,854	$119,412
Gas	5,210	8,469	20,427	43,728	20,894	18,802
Telephone	13,799	25,982	46,989	71,511	42,579	30,358
Railroads	1,256	1,507	1,713	1,618	1,399	2,948
Western Union	27	32	41	44	41	42
Total Utilities	$44,630	$99,942	$186,749	$329,562	$178,767	$171,562
Total for State	$60,597	$111,742	$250,918	$391,316	$377,154	$266,795 (a)
Utilities % of State Total	73.7%	89.4%	74.4%	84.2%	47.4%	64.3%

Local Property Taxes($000s)

	1969	1974	1979	1984	1985	1986
Electric (Class A Only)	$12,436	$22,806	$33,393	$43,186	$42,695	$53,225
Gas	2,173	2,731	2,984	3,594	3,958	4,201
Telephone	10,251	20,655	30,084	29,729	30,697	31,848
Motor Freight Carriers	1,405	1,721	1,513	1,444	1,484	2,066 (b)
Railroads	3,144	3,427	4,613	7,426	5,001	3,008 (c)
Western Union	40	66	56	68	69	53 (d)
Total Utilities	$29,449	$51,406	$72,643	$85,447	$83,904	$94,401
Total for State	$389,764	$614,893	$867,422	$1,338,227	$1,468,470	$1,753,362 (e)
Utilities % of State Total	7.6%	8.4%	8.4%	6.4%	5.7%	5.4%

State Income Taxes ($000's)

	1969	1974	1979	1984	1985	1986
Electric (Class A Only)	$4,390	$2,341	$16,460	$55,737	$51,130	$45,023
Gas	592	933	1,420	2,380	881	1,564
Telephone	4,785	7,071	14,223	23,405	27,259	30,384
Motor Freight Carriers(Class I & II)	422	1,159	1,500	12,115	12,721	3,443 (f)
Motor Passenger Carriers	131	113	177	173	182	57 (f)
Railroads	613	644	1,326	565	1,356	4,739 (g)
Total Utilities	$10,933	$12,261	$35,106	$94,375	$93,529	$85,210
Total for State (Corporations Only)	$109,118	$165,474	$284,669	$367,824	$489,656	$510,675 (h)
Utilities % of State Total	10.0%	7.4%	12.3%	25.7%	19.1%	16.7%

Bus & Truck Fees ($000's)

	1969	1974	1979	1984	1985	1986
Motor Freight Carriers(Class I & II)	$9,105	$9,468	$9,763	$14,479	$13,955	$9,871
Motor Passenger Carriers	344	526	603	783	754	534
Total Utilities	$9,449	$9,994	$10,366	$15,262	$14,709	$10,405
Total for State	$32,343	$39,793	$61,214	$64,528	$67,011	$69,200
Utilities % of State Total	29.2%	25.1%	16.9%	23.7%	22.0%	15.0%

FOOTNOTES FOR FIGURE NO. 3-4

A. Statement of the Condition of the General Fund for the Appropriate Fiscal Years Plus Truck Franchise Taxes, IRP and Truck License Fees.

B. Derived From the Valuation of Motor Freight Carrier Property and the Property Tax Rate for the Correct Year. Number From Tables 73 and 76 of "1987" Statistics of Taxation.

C. Real Estate and Personal Property Taxes As Given in the Annual Reports Filed With the Commission for the Appropriate Years.

D. Derived From the Valuation of Telegraph Property and the Property Tax Rate for the Correct Year. Numbers From Tables 73 and 76 of "1987" Statistics of Taxation.

E. "1987" Statistics of Taxation.

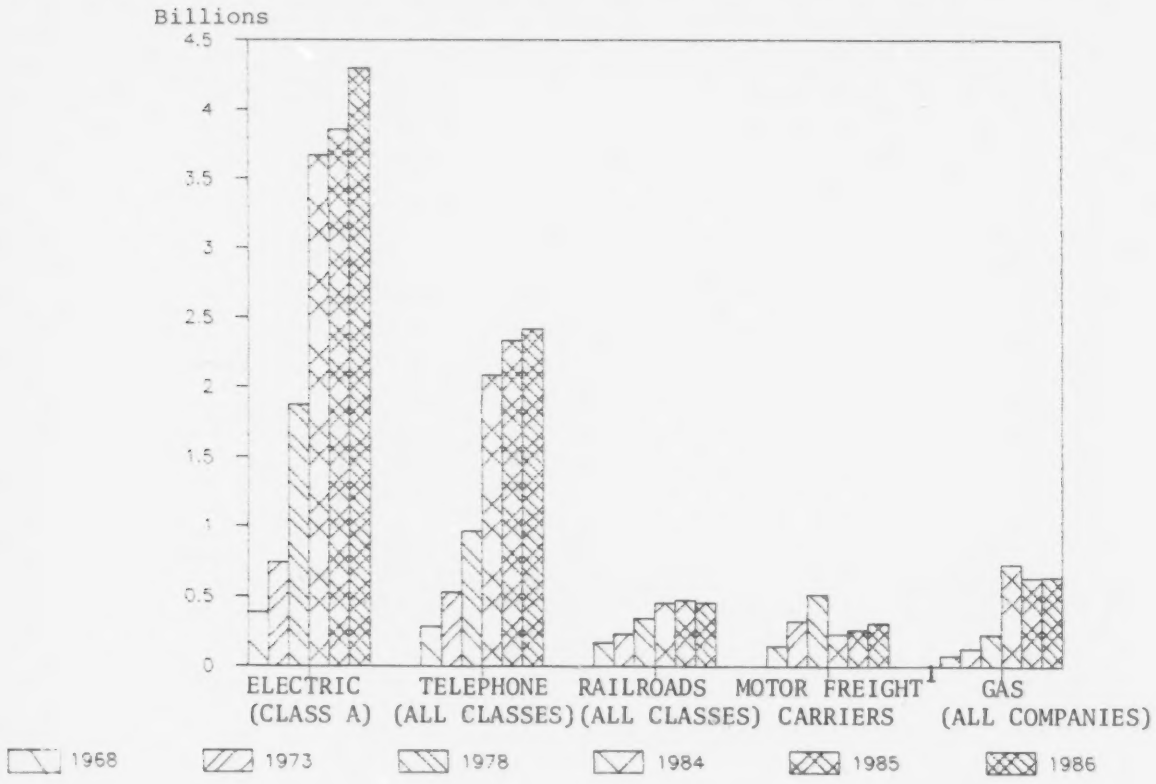
F. Derived From 1987 Statistics of Taxation - Table 41.

G. State Income Taxes as Given in the Annual Reports Filed With the Commission by Class I, II, and III Railroad Companies.

H. Statement of the Condition of the General Fund for the Fiscal Years 1984-85 and 1985-86.

FIGURE NO. 3-5
GROSS OPERATING REVENUES OF THE MAJOR UTILITIES IN NORTH CAROLINA
N.C. DATA ONLY

For the Calendar Years 1968, 1973, 1978, 1984, 1985, & 1986



	Motor Passenger Carriers	Water & Sewer[2,3]	Western Union
1968	$27.4 Million	$ 1.5 Million	$1.0 Million
1973	30.1 Million	3.1 Million	748 Thousand
1978	26.3 Million	3.5 Million	793 Thousand
1984	37.7 Million	8.1 Million	1.0 Million
1985	33.8 Million	8.3 Million	1.0 Million
1986	31.4 Million	11.4 Million	934 Thousand

[1]Classes I and II were used. ICC reclassification of carriers in 1979 reduced Class I and Class II carriers sharply.

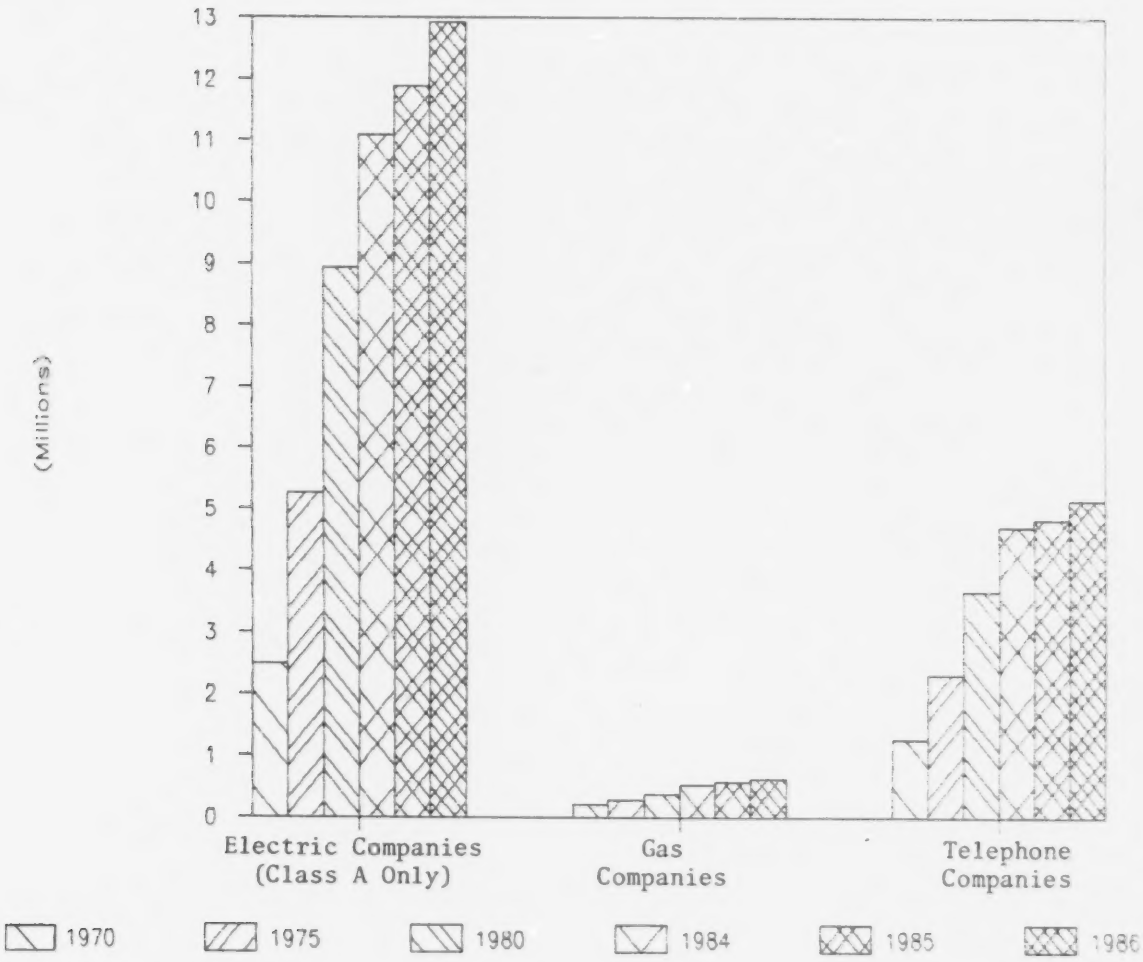
[2]For 1968-1973, 65 of the larger companies.

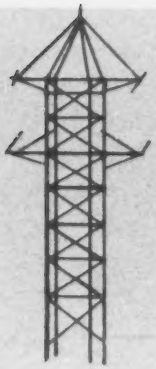
[3]For 1985, 13 of the larger companies. For 1986, 14 of the larger companies.

FIGURE NO. 3-6

GROSS PLANT ALLOCATED TO SERVE NORTH CAROLINA CUSTOMERS
ELECTRIC--GAS--TELEPHONE

For the Years 1970, 1975, 1980, 1984, 1985, 1986





IV. The Electric Power Industry

FIGURE NO. 4-1

Private Power Company Service Areas

CLASS A COMPANIES

Regulated by North Carolina Utilities Commission

North Carolina Service Areas

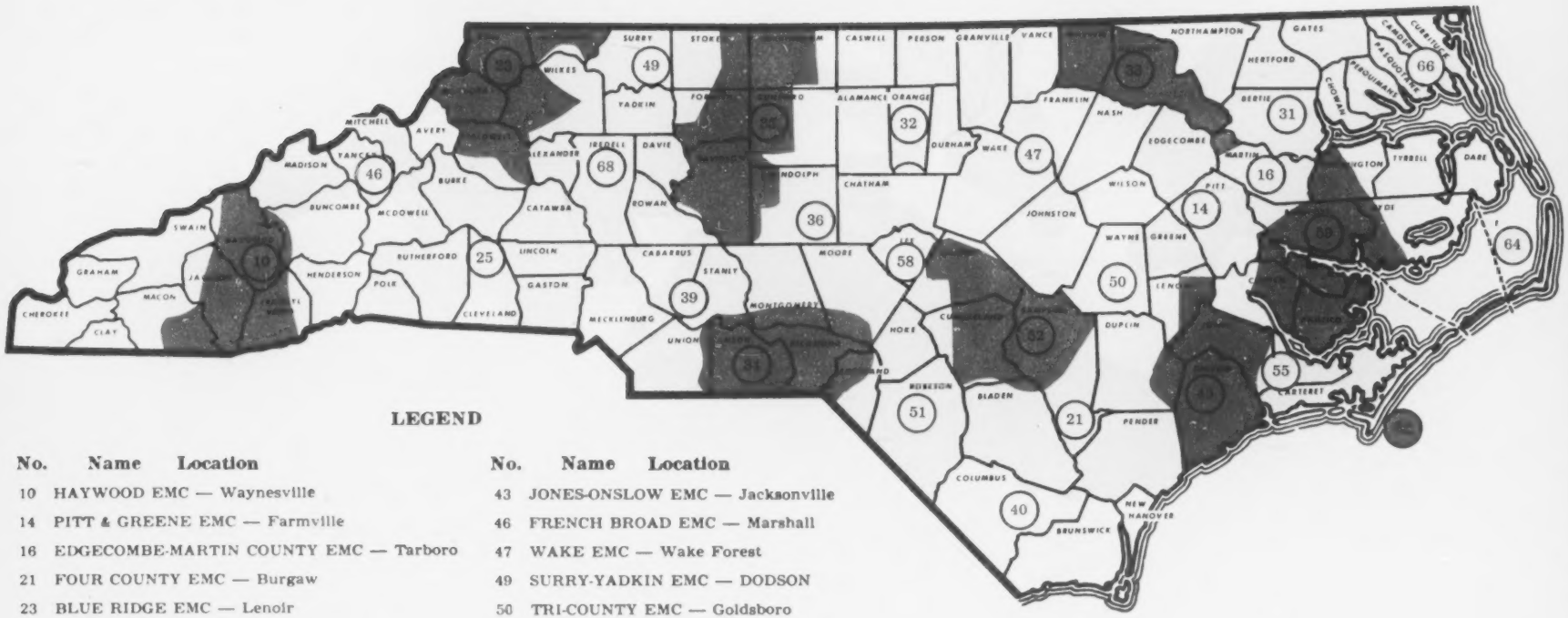
CAROLINA POWER & LIGHT CO.
DUKE POWER CO.
VIRGINIA ELECTRIC & POWER CO.

*** NANTAHALA**

* SERVES PORTIONS OF THE FOLLOWING COUNTIES:
CHEROKEE, CLAY, GRAHAM, JACKSON, MACON, SWAIN

Service Area Boundaries as of
January 1, 1988

NORTH CAROLINA ELECTRIC MEMBERSHIP CORPORATIONS



LEGEND

No.	Name	Location
10	HAYWOOD EMC	— Waynesville
14	PITT & GREENE EMC	— Farmville
16	EDGECOMBE-MARTIN COUNTY EMC	— Tarboro
21	FOUR COUNTY EMC	— Burgaw
23	BLUE RIDGE EMC	— Lenoir
25	RUTHERFORD EMC	— Forest City
31	ROANOKE EMC	— Rich Square
32	PIEDMONT EMC	— Hillsborough
33	HALIFAX EMC	— Enfield
34	PEE DEE EMC	— Wadesboro
35	DAVIDSON EMC	— Lexington
36	RANDOLPH EMC	— Asheboro
38	HARKERS ISLAND EMC	— Harkers Island
39	UNION EMC	— Monroe
40	BRUNSWICK EMC	— Shallotte
43	JONES-ONSLOW EMC	— Jacksonville
46	FRENCH BROAD EMC	— Marshall
47	WAKE EMC	— Wake Forest
49	SURRY-YADKIN EMC	— DODSON
50	TRI-COUNTY EMC	— Goldsboro
51	LUMBEE RIVER EMC	— Red Springs
52	SOUTH RIVER EMC	— Dunn
55	CARTERET-CRAVEN EMC	— Morehead City
58	CENTRAL EMC	— Sanford
59	TIDELAND EMC	— Pantego
64	CAPE HATTERAS EMC	— Buxton
66	ALBEMARLE EMC	— Hertford
68	CRESCENT EMC	— Statesville

FIGURE NO. 4-2

Service Area Boundaries as of
January 1, 1988

NORTH CAROLINA ELECTRIC
MEMBERSHIP CORPORATION
3333 North Boulevard
Raleigh, N.C. 27604

FIGURE NO. 4-3

CLASS A ELECTRIC COMPANIES
At December 31, 1987

CAROLINA POWER & LIGHT COMPANY
RALEIGH, NORTH CAROLINA

Organized: April 6, 1926
Chairman, President, and Chief Executive Officer:
Sherwood H. Smith, Jr., Raleigh, N.C.
Service (for North Carolina): Electric
States Services: North Carolina and South Carolina

DUKE POWER COMPANY
CHARLOTTE, NORTH CAROLINA

Organized: May 1917
Chairman of the Board and Chief Executive Officer: William S. Lee
Charlotte, N.C.
President and Chief Operating Officer:
Douglas W. Booth--Charlotte, N.C.
Service (For North Carolina):
Electric, Water, Bus
States Served: North Carolina and South Carolina

NANTAHALA POWER AND LIGHT COMPANY
FRANKLIN, NORTH CAROLINA

Organized: July 23, 1929
President and Chief Executive Officer:
W. M. Jontz
Executive Vice-President, Secretary, and Treasurer: N. E. Tucker, Jr.
Service (For North Carolina): Electric
State Served: North Carolina

NORTH CAROLINA POWER COMPANY
(The North Carolina Division of Virginia Electric & Power Company)

Organized: June 29, 1909
Chairman of the Board and Chief Executive Officer: William W. Berry
Richmond, Virginia
Service (For North Carolina): Electric
States Served: North Carolina, Virginia, and West Virginia

CLASS B, C, AND D ELECTRIC COMPANIES*

COMPANY	COUNTY SERVED**
New River Light & Power	Watauga County
Western Carolina University	Jackson County

*Laurel Hill Electric Company was sold to the Pee Dee Electric Membership Corporation. The order approving the sale was dated January 20, 1986. (EC-34, Sub 22)
**Entire county is not served by the companies listed.

MUNICIPAL ELECTRIC SYSTEMS
AND SOURCE OF POWER

Municipality	Source of Power
Albemarle	Duke Power Company
Apex	Carolina Power & Light
Ayden	Carolina Power & Light
Belhaven	North Carolina Power
Benson	Carolina Power & Light
Black Creek	Wilson
Boone (ASU)	New River Light & Power
Bostic	Duke Power Company, Southeastern Power Administration
Cherryville	Duke Power Company Shelby
Clayton	Carolina Power & Light
Concord	Duke Power Company
Cornelius	Duke Power Company Crescent Electric Membership Corporation
Dallas	Duke Power Company
Drexel	Duke Power Company Southeastern Power Administration
Edenton	North Carolina Power
Elizabeth City	North Carolina Power
Farmville	Carolina Power & Light
Fayetteville	Carolina Power & Light
Forest City	Duke Power Company
Fountain	Farmville
Fremont	Carolina Power & Light
Gastonia	Duke Power Company
Granite Falls	Duke Power Company
Greenville	North Carolina Power
Hamilton	North Carolina Power
Hertford	North Carolina Power
High Point	Duke Power Company
Highlands	Nantahala Power & Light

FIGURE NO. 4-3 CONTINUED

At December 31, 1987

Hobgood	North Carolina Power
Hookerton	Carolina Power & Light
Huntersville	Duke Power Company
Kings Mountain	Duke Power Company
Kinston	Carolina Power & Light
LaGrange	Carolina Power & Light
Landis	Duke Power Company
Laurinburg	Carolina Power & Light
Lexington	Duke Power Company
Lincolnton	Duke Power Company
Louisburg	Carolina Power & Light
	Southeastern Power Administration
Lucama	Wilson
Lumberton	Carolina Power & Light
Macclesfield	Wilson
Maiden	Duke Power Company
Monroe	Duke Power Company
Morganton	Duke Power Company
	Southeastern Power Administration
Murphy	TVA
New Bern	Carolina Power & Light
Newton	Duke Power Company
Oak City	Edgecombe-Martin Electric Membership Corporation
Pikeville	Carolina Power & Light
Pinetops	Wilson
Pineville	Duke Power Company
Red Springs	Carolina Power & Light
Robersonville	North Carolina Power
Rocky Mount	Carolina Power & Light
Scotland Neck	North Carolina Power
Selma	Carolina Power & Light
Sharpsburg	Rocky Mount
Shelby	Duke Power Company
Smithfield	Carolina Power & Light
Southport	Carolina Power & Light
Statonsburg	Wilson
Statesville	Duke Power Company
Tarboro	North Carolina Power
Wake Forest	Carolina Power & Light
Walstonburg	Wilson
Washington	North Carolina Power
Waynesville	Carolina Power & Light
Wilson	Carolina Power & Light
Windsor	North Carolina Power
Winterville	Greenville
Total:	71

FIGURE NO. 4-4

ELECTRIC MEMBERSHIP CORPORATIONS
AND SOURCE OF POWER
At December 31,1987

Electric Membership Corporation	Headquarters	Source of Power*
Albemarle	Hertford	NCEMC, SEPA
Blue Ridge	Lenoir	Duke, SEPA
Brunswick	Shallotte	CP&L, SEPA
Cape Hatteras	Buxton	NCEMC
Carteret-Craven	Morehead City	CP&L, SEPA
Central	Sanford	CP&L, SEPA
Crescent	Statesville	Duke, SEPA
Davidson	Lexington	Duke
Edgecombe-Martin County	Tarboro	NCEMC, SEPA
Four County	Burgaw	CP&L, SEPA
French Broad	Marshall	CP&L
Halifax	Enfield	CP&L, NCEMC, SEPA
Harkers Island	Harkers Island	CP&L
Haywood	Waynesville	CP&L, Duke, SEPA Nantahala
Jones-Onslow	Jacksonville	CP&L, SEPA
Lumbee River	Red Springs	CP&L, SEPA
Pee Dee	Wadesboro	CP&L, Duke, SEPA
Piedmont	Hillsborough	CP&L, Duke, SEPA
Pitt & Greene	Farmville	CP&L, SEPA
Randolph	Asheboro	CP&L, SEPA
Roanoke	Rich Square	CP&L, SEPA
Rutherford	Forest City	Duke, SEPA
South River	Dunn	CP&L, SEPA
Surry-Yadkin	Dobson	Duke
Tideland	Pantego	CP&L, NCEMC, SEPA
Tri-County	Goldsboro	CP&L, SEPA
Union	Monroe	Duke, SEPA
Wake	Wake Forest	CP&L, Duke, SEPA

* Carolina Power & Light Company (CP&L)
Duke Power Company (Duke)
Nantahala Power & Light Company (Nantahala)
North Carolina Electric Membership Corporation (NCEMC)
Southeastern Power Administration (SEPA)

FIGURE NO. 4-4 CONTINUED

FOREIGN ELECTRIC MEMBERSHIP CORPORATIONS [1]
At December 31, 1987

Electric Membership Corporations	Headquarters	Source of Power
Blue Ridge Mountain	Young Harris, Ga.	TVA[2]
Broad River Electric Cooperative, Inc.	Gaffney, S.C.	Saluda Electric Corporations [3]
Mecklenburg Electric Cooperative, Inc.	Chase City, Va.	SEPA, Old Dominion
Tri-State	McCaysville, Ga.	TVA
Mountain Electric Cooperative, Inc.	Mountain City, Tenn.	TVA

[1] Electric Membership Corporations that have operations in North Carolina but have headquarters in other states.

[2] Tennessee Valley Authority

[3] Until the fall of 1983 power was supplied by Duke Power Company and Southeastern Power Agency.

A. GENERAL COMMENTS

There were four Class A electric utilities operating in North Carolina under the regulation of the North Carolina Utilities Commission at December 31, 1986: Carolina Power & Light Company (CP&L), Duke Power Company (Duke), North Carolina Power Company (NC Power), and Nantahala Power and Light Company (Nantahala).

Carolina Power & Light Company's two nuclear, seven coal-fired, and four hydroelectric facilities provide electricity to approximately 875,000 customers within a 30,000 square mile area. This 30,000 square mile area is comparable in size to the combined states of Connecticut, Massachusetts, Rhode Island, New Jersey, and New Hampshire. There is a population of approximately 3 million in CP&L's service area. It includes the Coastal Plains section of North Carolina, a section in western North Carolina, and about one-fourth of eastern South Carolina. CP&L provides retail electric service to 219 retail communities, each with a population of 500 or more, and wholesale service to the North Carolina Eastern Municipal Power Agency, four municipalities, and 18 electric membership corporations. The North Carolina Utilities Commission regulates about 65% of CP&L's energy sales, the South Carolina Public Service Commission about 15%, and the Federal Energy Regulatory Commission about 20%. The North and South Carolina Commissions govern retail electric rates and the Federal Energy Regulatory Commission governs wholesale electric rates.

Duke Power Company is the seventh largest investor-owned electric utility in the nation, with a 20,000 square-mile service area in North Carolina and South Carolina. Duke's three nuclear stations, eight coal-fired plants, and 25 hydroelectric facilities and one pump storage facility provide electricity to approximately 1.7 million customers. Duke's retail customers are served through 97 district and branch offices. The North Carolina Utilities Commission regulates about 59% of Duke's energy sales, the South Carolina Public Service Commission about 27%, and the Federal Energy Regulatory Commission about 14%. The headquarters for Duke Power Company are in Charlotte, North Carolina.

Virginia Electric and Power Company is the principal subsidiary of Dominion Resources, Inc., a holding company formed in 1983. Vepco provides electric service for approximately five million people in a 32,000 square-mile area encompassing 80 percent of the population of Virginia as well as northeastern North Carolina and five counties in West Virginia. Vepco sold its West Virginia service area on March 1, 1987. The North Carolina Utilities Commission regulates about 4% of Vepco's energy sales, the Virginia State Corporation Commission about 88%, and the Federal Energy Regulatory Commission about 8%. The North Carolina division of Vepco is referred to as The North Carolina Power Company. Vepco's service territory includes the urban corridor that runs from suburban Washington, D.C., south to Richmond, and east to the Hampton Roads area. Vepco generates electricity with two nuclear, six coal-fired, three oilfired, and three small hydroelectric plants; and with one pumped storage hydroelectric plant owned jointly with another utility. Vepco delivers electric power through 4,900 miles of high-voltage transmission lines and 51,800 miles of distribution lines.

Nantahala Power and Light Company serves the far western portion of North Carolina and is the only Class A company operating solely within North Carolina. Although it qualifies as a Class A utility, its service area and number of customers are small compared to the other three Class A companies. Aluminum Company of America (Alcoa) owns all of the capital stock of Nantahala. Portions of Nantahala's electric generation were formerly utilized by Alcoa for the smelting of aluminum.

The four major electric companies provide service directly to retail

consumers, and they are suppliers of electric energy on a wholesale basis to the 28 electric membership corporations (EMCs) operating in North Carolina. There are five EMCs with operations in North Carolina whose headquarters are in other states. The Class A companies also supply electric energy to the 71 municipalities operating electric distribution systems throughout the state. The North Carolina Utilities Commission does not regulate the retail rates and service of the EMCs or the municipalities operating in North Carolina.

There were two small electric utilities also operating in North Carolina as of December 31, 1986; New River Light and Power Company, a subsidiary of Appalachian State University (ASU) located in Boone, N.C., which served 5,622 customers in 1986 with ASU being its largest single customer and Western Carolina University located in Jackson County, N.C. which is not required to file an annual report with the North Carolina Utilities Commission.

B. CUSTOMER GROWTH--COMMENTS

In 1986 the four major electric utilities experienced a customer growth rate of 3.7% for their North Carolina operations. The net customer increase was 70,738 bringing the total average number of customers to 1,963,750 at December 31, 1986. New River Power and Light Company experienced a 2.8% increase in their number of customers. Total customers increased from 5,469 to 5,622 during 1986. An average of 1,969,372 North Carolina customers were served by all the regulated electric utilities during 1986. See Figure No. 4-5.

C. ANNUAL CUSTOMER USAGE

The annual customer usage of kilowatt-hours per residential customer in 1986 was 12,065 kWhs. This is a 6.2% increase from 19.85. This figure for 1986 is 40% higher than the national average of 8,608 per residential customer. According to Figure No. 4-6, North Carolina's per customer residential consumption exceeds the national average for various years shown between 1970-1986.

The average monthly use of electricity by North Carolina residential customers of Class A companies is 1,005 kilowatt-hours. Residential customers constitute about 86.0% of the total electric customers in the State. There is a direct correlation between the greater residential usage in North Carolina and the average charge per kilowatt-hour. Generally the lower the cost per kWh the greater the usage.

D. RATE INCREASES APPROVED

The average charge per kilowatt-hour for North Carolina residential service increased 4.2% from the preceding year. Figure No. 4-7 shows the average price of one kWh for the years 1965, 1970, 1975, 1980, 1982, 1983, 1984, 1985, and 1986. The 1986 figure of 7.15 cents reflects the general rate increase approved by the Commission as indicated in Figure No. 4-8.

E. COMPARISONS OF AVERAGE RESIDENTIAL MONTHLY BILLS

In Figure No. 4-9 a typical residential electric bill as of January 1, 1986, from North Carolina is compared to nine selected states from across the country. These states include Alabama, California, Florida, Indiana, Maine, Michigan, Ohio, South Carolina, and Virginia. For 1986, North Carolina is the third lowest at 500 kWh levels and the sixth lowest at 750 kWh levels and fifth lowest at 1000 kWh levels.

In a comparison with the United States average, North Carolina monthly bills for 1986 continue to be lower. Data shown in Figure No. 4-9 indicates that states in all regions of the United States have experienced increasing electric bills. The North Carolina

electric utilities have companywide rates for the respective residential, commercial, and industrial classes of customers. When company usage and load characteristics are the same, the residential customer's bill will not vary between the small and large communities.

In North Carolina the electric companies recommend many ways for customers to save on their electric bills. Some of these include adequate insulation and efficient use of big energy user appliances such as water heaters, ranges, refrigerators, and freezers. Also with time-of-use rates, customers pay less for electricity used during off-peak periods and can save up to 15% every month. Keeping the thermostat at 68 degrees or lower in the winter can save customers up to 20% on heating bills. Furthermore there are appliances available in energy efficient models that may cost more initially but save each year in operating costs. Saving energy has become increasingly important. It not only translates directly into lower bills but also helps to conserve diminishing natural resources.

F. GENERATING CAPABILITY--NUCLEAR POWER IMPACT AND COGENERATION

General: The total company owned capability as of December 31, 1986, for the largest electric companies is shown in Figure No. 4-10. Figure No. 4-10 gives in detail the peak loads in winter 1985/1986 and summer 1986, total capability at the time of the peaks, and the reserve percentage of electricity available to each company at peak demand.

Nuclear Power: Nuclear energy provided 44% of Vepco's energy supply last year. For the sixth straight year Vepco's nuclear units performed better than the national average. The nuclear station's 1986 capacity factor was 73 percent. Their capacity factor was substantially better than the 56 percent national average for the most recent 12-month period reported by the U.S. Energy Information Administration. The 1986 factor was slightly lower than the ~~1985~~ mark of 76 percent, reflecting additional outages for refueling and maintenance in 1986. Capacity factor is the percentage of power a unit actually generates compared to what it could produce if it were operated continuously at maximum dependable capacity. Since nuclear units must be taken out of service for refueling and routine maintenance, their maximum achievable capacity factor over an extended period is inherently below 100 percent. The power company's two nuclear stations were recognized in 1986 for having some of the lowest per kilowatt-hour generating costs in the nation for 1985. A national survey reported that the company's North Anna Station had the second lowest operating and fuel costs in the nation. The Surry Station was ninth on the "best ten" list.

In August 1986, Vepco's Surry Power Station completed the nation's first above-ground facility licensed by the U.S. Nuclear Regulatory Commission to store spent nuclear fuel.

CP&L's progress continued throughout 1986 on the Shearon Harris Nuclear Power Plant. In October 1986, the plant received a low-power operating license, and fuel loading was completed in November. On January 12, 1987, the Nuclear Regulatory Commission (NRC) issued a full-power operating license.

In meeting customers' demands, the company's nuclear units provided 33 percent of the total system generation for 1986. The company's nuclear units increased their total output over the previous year. Brunswick Unit I generated over 5.9 billion kWh during 1986 and operated at a capacity factor of 86.3 percent, setting a record for the unit generating the most kWh in a calendar year. The Brunswick Unit I had an availability factor of more than 90 percent, representing the highest in the Southeast, third in the nation, and

fifth in the world for boiling water reactors.

Nuclear power continues to be an important source of energy for Duke Power Company.

On August 19, 1986, Duke's Catawba Unit 2, the two-unit 2,290,000 kilowatt station, and the last of seven large nuclear-generating units, was completed and brought into service. The Nuclear Regulatory Commission issued a full-power license and Catawba generated its first electricity in May 1986.

Construction of the Catawba spanned 12 years. The plant was completed several months ahead of its scheduled 1987 completion date.

Cogeneration: In 1978 the Federal Public Utility Regulatory Policies Act (PURPA) challenged the Federal Energy Regulatory Commission and the State regulatory authorities to encourage the development of cogeneration and small power production. Cogeneration facilities simultaneously produce two forms of useful energy such as electric power and steam. An example of manufacturing cogeneration would be a furniture manufacturing plant which not only uses process steam in its manufacturing activities but also uses the same steam in order to generate electricity. Cogeneration facilities use significantly less fuel to produce electricity and steam (or other forms of energy) than would be needed to produce the two separately. Thus by using fuels more efficiently, cogeneration facilities can make a significant contribution to the nation's effort to conserve its energy resources.

Many participants in the cogeneration program will come from the textile, paper, and chemical industries. Through efficient generation of their own electricity, greater profitability and aid in the reduction of overall production costs will be stimulated. The two largest power companies have docketed cogeneration of 556.41 MW of electricity as of June 30, 1986. If these cogeneration facilities were interconnected, this could provide the electrical needs of approximately 406,179 residential homes. Vepco has no customer-owned hydroelectric facilities operations in its North Carolina service area, but Duke Power Company and CP&L have docketed 36.102 MW of electricity at their hydroelectric facilities as of June 30, 1986.

The three largest power companies in North Carolina are working with customers (small power producers) who may be able to generate some of their own needs for electrical power, thus lowering peak loads. Small power production facilities which are biomass, waste, renewable resources including wind, solar, and water, produce electric power. The regulated electric utilities are required to purchase the electricity generated by these qualifying small power production facilities. These energy sources have the potential of resulting in significantly cheaper electricity. For example the sun's rays or flowing water have no costs, as contrasted with the generally increasing cost of fossil fuels or nuclear fuel typically used by regulated utilities in their generating plants.

The Commission Order (E-100, Subs 41 and 41A), dated June 3, 1980, enumerated as part of its responsibilities the determination of the rates, charges, and condition for the sale of electricity and qualifying cogenerators or small power producers in North Carolina. In addition the Commission will determine the relative responsibilities of utilities and qualifying facilities with respect to system protection, service reliability, and other matters affecting such service.

G. SOURCE AND DISPOSITION OF THE ELECTRIC OPERATING REVENUE DOLLAR

Both the source and disposition of the 1986 electric operating revenue dollar are shown by the pie charts on Figure No. 4-11. In the past, fuel costs have been the largest component of the operation and maintenance expenses, and they have consumed the

largest portion of the operating revenue dollar. However, this trend does not hold true for 1986. Fuel costs required only 22 cents while the remaining operation and maintenance costs required 35 cents. Shown in Figure No. 4-12 is comparative data reflecting the components percentagewise for both the source and disposition of the electric operating revenue dollar for 1986. Fuel costs as a percent of total operational and maintenance expenses (excluding depreciation and taxes) have been declining since 1974, primarily because of the decreases in coal costs and the increasing use of nuclear fuel. The chart in Figure No. 4-13 shows this relationship for the period 1980-1986.

H. ENERGY SALES

Energy sales for the past decade have been rising. Class A companies' total energy sales in North Carolina increased in 1986 over 1985 by 2.9% with almost 71 billion kilowatt-hours sold. Figure No. 4-14 shows energy sales by class of customer for the years 1970, 1975, 1980, 1984, 1985, and 1986.

I. STATISTICAL SUMMARY DATA

As shown in Figure No. 4-15 the total operating revenues for North Carolina operations for the Class A electric utilities increased 11.6% for 1986 compared to 1985.

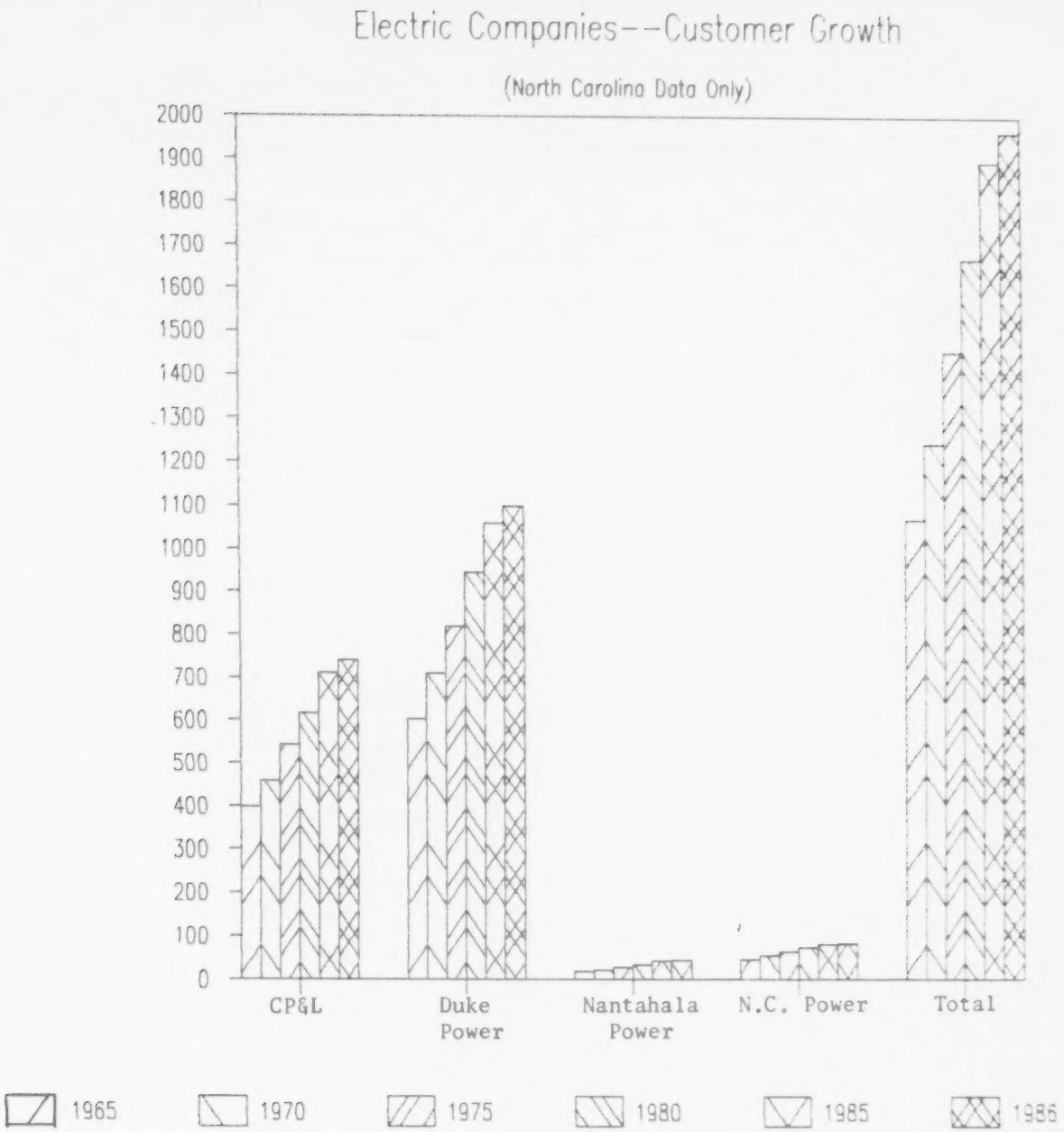
North Carolina operating expenses, including taxes for the Class A companies, increased 13% in 1986 over 1985, and the net income for 1986 increased 6.2% from the previous year.

Total company net income available for common shareholders of the Class A companies was $1,102,682,000 for 1986 vs. $978,479,000 for 1985. The number of common shares outstanding at year-end increased from 310,514 million in 1985 to 318,292 million in 1986. The earnings per share (year-end outstanding) at December 31, 1986, were $3.46 up 9.8% from 1985.

Total salaries and wages paid North Carolina employees by Class A companies for 1986 was $705,671,000, an increase of 9.86% over 1985. In 1986, the number of employees residing in North Carolina was 23,075 compared with 21,798 in 1985, a 5.9% increase.

FIGURE NO. 4-5

CLASS A COMPANIES ONLY



SOURCE: 1986 FERC FORM NO. 1: ANNUAL REPORT OF MAJOR ELECTRIC UTILITIES, LICENSES, AND OTHERS

FIGURE NO. 4-6

Average Annual Residential Customers
kWh Usage
1970, 1975, 1980, 1984, 1985, 1986
(Class A & B Privately-Owned Utilities Only)

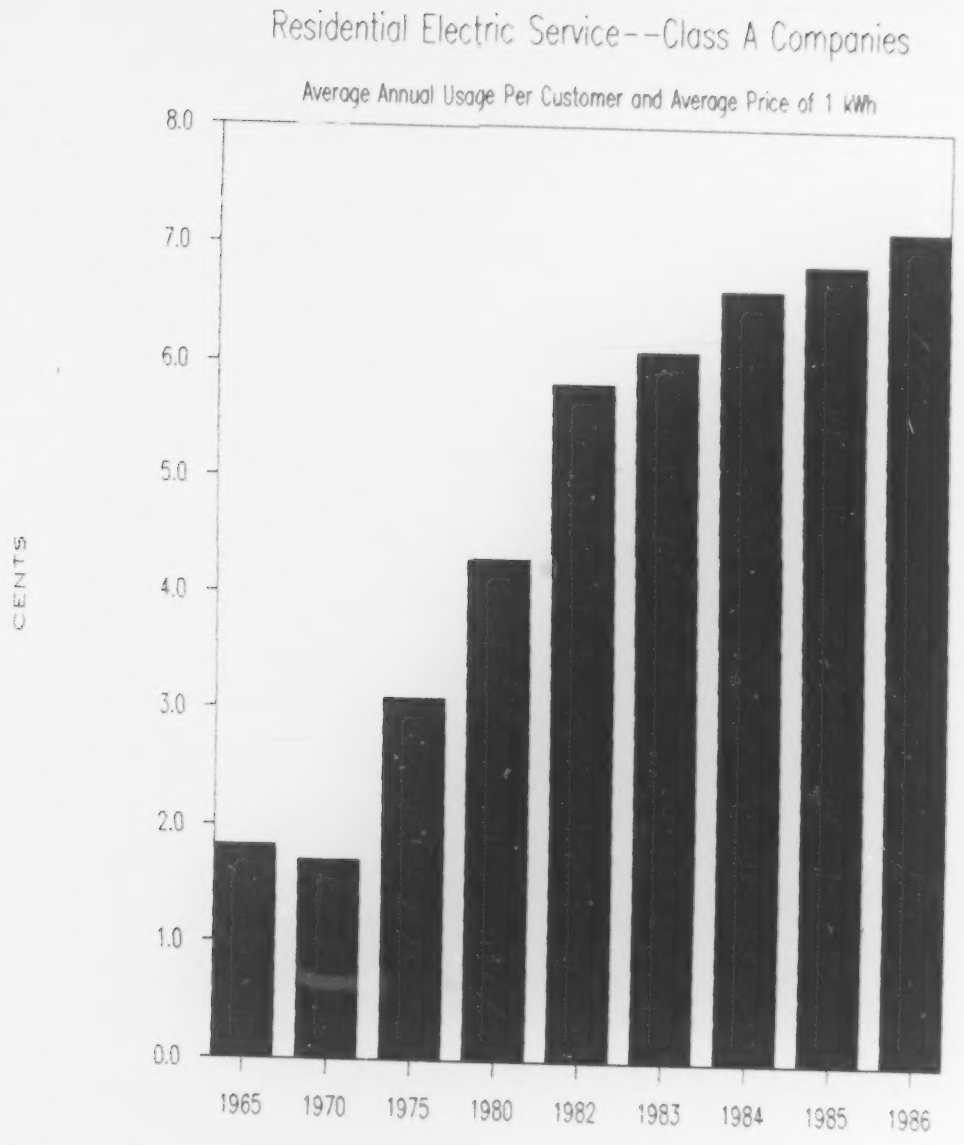
	1970	1975	1980	1984	1985	1986
N.C. Statewide Average	9,695	11,002	12,272	11,834	11,364	12,051
N.C. (Charlotte & Raleigh)(a)	11,037	11,771	13,201	12,213	11,992	12,912
S.C. (Columbia & Charleston)(b)	9,613	9,683	10,793	12,224	12,074	13,708
U. S. Average	6,700	7,829	8,481	8,557	8,540	8,608
N.C. (Charlotte & Raleigh) Higher than S.C. (Columbia & Charleston)	14.8%	21.6%	22.3%	(.09%)	(.7%)	(1.3)
Higher than U.S. Average	64.7%	50.4%	55.7%	42.7%	40.4%	50.0%

(a) Charlotte--Served by Duke Power Co.
Raleigh--Served by CP&L
Average of the two used

(b) Columbia & Charleston
Served by S.C. Electric & Gas Co.
Average of the two used

SOURCES:
N.C. Statewide Average--FERC Form No. 1: Annual Report of Major Electric Utilities
N.C. (Charlotte & Raleigh)--FERC Form No. 1: Annual Report of Major Electric Utilities
S.C. (Columbia & Charleston)--S.C. Electric & Gas Co.
U.S. Average--Financial Statistics of Selected Electric Utilities (1986 Report)

FIGURE NO. 4-7



North Carolina Data Only
Average kWh Usage Per Customer

1960	1970	1975	1980	1982	1983	1984	1985	1986
6,697	9,695	11,002	12,272	11,652	11,873	11,834	11,364	12,065
1.82	1.7	3.09	4.29	5.82	6.11	6.64	6.86	7.18

Average Price of One kWh in Cents by Company

	1970	1975	1980	1982	1983	1984	1985	1986
CP&L	1.64	3.18	4.36	6.28	6.48	7.04	7.21	7.25
Duke	1.73	3.01	4.13	5.49	5.83	6.31	6.57	7.11
Nantahala	1.66	2.29	3.68	4.98	4.47	5.52	6.14	6.49
Vepco	1.91	3.80	6.33	6.74	7.61	8.35	8.01	7.87

FIGURE NO. 4-8

General Rate Increases Approved for Electric Companies
For the Year 1986

Company	Date Filed	Docket Number	Amount Requested (000s)	Amount Approved (000s)	% Approved of Amount Requested	Date of Final Order
Duke Power Company	3-27-86	E-7, Sub 408	$236,455 (a)	$133,080	56.3%	10-31-86
Total			$236,455	$133,080	56.3%	

(a) This is the final amount requested revised from the initial request of $289,316,000.

FIGURE NO. 4-9

COMPARATIVE TYPICAL RESIDENTIAL ELECTRIC BILLS
NINE SELECTED STATES, NORTH CAROLINA, AND U.S. AVERAGE
STATE AVERAGE MONTHLY BILLS--RESIDENTIAL SERVICE
(Cities of 2,500 Population and Over) Data as of January 1 of each year)

STATE	500 kWH Assumed Consumption						750 kWH Assumed Consumption						1000 kWH Assumed Consumption					
	1965	1970	1975	1980	1985	1986	1965	1970	1975	1980	1985	1986	1965	1970	1975	1980	1985	1986
NORTH CAROLINA	$9.53	$9.40	$16.21	$24.05	$37.02	$39.49	$12.92	$12.75	$22.53	$32.63	$52.64	$56.15	$N/A	$16.24	$29.28	$41.83	$67.99	$72.53
ALABAMA	8.25	9.33	16.62	23.63	35.98	36.23	10.87	12.12	22.05	33.99	50.94	51.26	N/A	14.91	27.45	44.34	63.65	64.04
CALIFORNIA	9.39	10.05	17.25	22.79	40.09	40.77	12.43	13.20	23.64	34.24	59.89	60.90	N/A	16.35	29.91	47.65	84.64	86.22
FLORIDA	11.78	11.26	18.53	25.53	42.55	45.02	15.90	15.24	25.88	36.68	60.97	64.45	N/A	19.10	33.17	48.37	80.77	85.45
INDIANA	10.36	10.32	13.37	26.68	39.79	41.13	14.09	13.98	18.31	35.22	54.12	56.12	N/A	18.01	23.59	44.83	68.68	71.35
MAINE	12.23	11.85	18.05	26.05	38.74	40.86	16.53	15.98	25.00	35.98	59.10	61.29	N/A	21.34	33.32	45.91	77.47	81.70
MICHIGAN	8.12	7.77	14.57	25.65	35.24	40.85	13.72	12.32	21.74	33.74	48.83	53.58	N/A	17.31	29.63	45.85	70.84	74.76
OHIO	10.63	10.44	17.23	28.26	41.68	41.80	14.94	14.07	24.15	39.84	59.85	59.92	N/A	18.14	31.15	51.11	75.13	75.11
SOUTH CAROLINA	10.04	10.01	18.53	25.40	37.65	39.93	13.39	13.33	25.18	34.77	52.09	55.24	N/A	16.69	31.87	44.38	66.66	70.72
VIRGINIA	10.11	10.08	20.91	33.10	37.44	38.77	13.61	13.57	28.18	46.31	53.34	55.02	N/A	17.03	35.11	58.92	66.58	68.31
UNITED STATES	10.41	10.51	17.93	27.50	41.86	42.54	14.34	14.22	24.72	36.93	57.86	58.79	N/A	18.31	32.29	48.76	76.37	77.50
NORTH CAROLINA RANK (Low to High-9 states listed)	4th lowest	3rd lowest	3rd lowest	3rd lowest	3rd lowest	3rd lowest	3rd lowest	3rd lowest	4th lowest	1st lowest	4th lowest	6th lowest	N/A	2nd lowest	3rd lowest	1st lowest	4th lowest	5th lowest
NORTH CAROLINA RANK (Low to High-50 states & DC)	15th lowest	15th lowest	28th lowest	21st lowest	26th lowest	24th lowest	12th lowest	12th lowest	30th lowest	18th lowest	27th lowest	32nd lowest	N/A	12th lowest	30th lowest	17th lowest	28th lowest	31st lowest
N.C. Average lower than U.S. Average (Percent)	8.5%	10.5%	9.6%	12.5%	11.6%	7.2%	9.9%	10.3%	8.9%	11.6%	9.0%	4.5%	N/A	11.3%	9.5%	14.2%	11.0%	6.4%

Source: "Typical Electric Bills" for applicable years--U.S. Department of Energy

FIGURE NO. 4-10

ELECTRIC COMPANIES--CLASS A
GENERATION & CAPABILITY DATA
Net Megawatts--Year End

Company Owned Capability 1986 (1)

	Coal	Nuclear	Pump Storage & Hydro	Other Fuel And Resources	Total Generating Capability
CP&L	5,339	2,280	216	1,298	9,133
Duke Power	6,522	7,170	1,452	599	15,743
Nantahala Power	0	0	99	0	99
N.C. Power*	4,199	3,392	1,587	2,509	11,687
Total	16,060	12,842	3,354	4,406	36,662

Total Capability--Net MW (at time of peak) (2)

	1986 Summer	1985/1986 Winter	1985 Summer	1984/1985 Winter	1984 Summer	1983/1984 Winter	1983 Summer	1982/1983 Winter
CP&L	8,754	9,133	8,754	9,133	8,750	9,123	8,725	9,088
Duke Power	15,988	14,790	14,927	13,782	13,782	13,777	13,354	13,554
Nantahala Power	195	195	194	194	163	163	173	173
N.C. Power	11,225	11,435	11,137	10,774	9,935	10,138	9,914	10,122
Total	36,162	35,553	35,012	33,883	32,630	33,201	32,166	32,937

Peak Load (MW) (3)

	1986 Summer	1985/1986 Winter	1985 Summer	1984/1985 Winter	1984 Summer	1983/1984 Winter	1983 Summer	1982/1983 Winter
CP&L	7,485	7,763	6,876	7,799	6,869	6,599	6,926	6,290
	12,471	12,586	11,204	12,687	11,043	10,863	11,554	10,378
Nantahala Power	157	191	109	191	104	163	115	144
N.C. Power	10,358	10,386	9,819	10,316	8,895	8,592	9,404	8,097
Total	30,471	30,926	28,008	30,993	26,911	26,217	27,999	24,909

Reserve % of Load

	1986 Summer	1986 Winter	1985 Summer	1985 Winter	1984 Summer	1984 Winter	1983 Summer	1983 Winter
CP&L	17.0	17.6	21.9	7.5	22.1	27.0	21.4	33.6
Duke Power	28.2	17.5	33.2	17.7	24.8	26.9	17.3	30.6
Nantahala Power	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
N.C. Power	8.4	10.1	12.7	7.2	26.4	30.8	19.5	38.7
Total	18.7	15.0	24.7	11.5	24.7	28.0	19.2	34.0

(1) Source: Southeastern Electric Reliability Council-
Data includes portion owned by municipal power agencies.

(2) Source: Reserve Situation Report

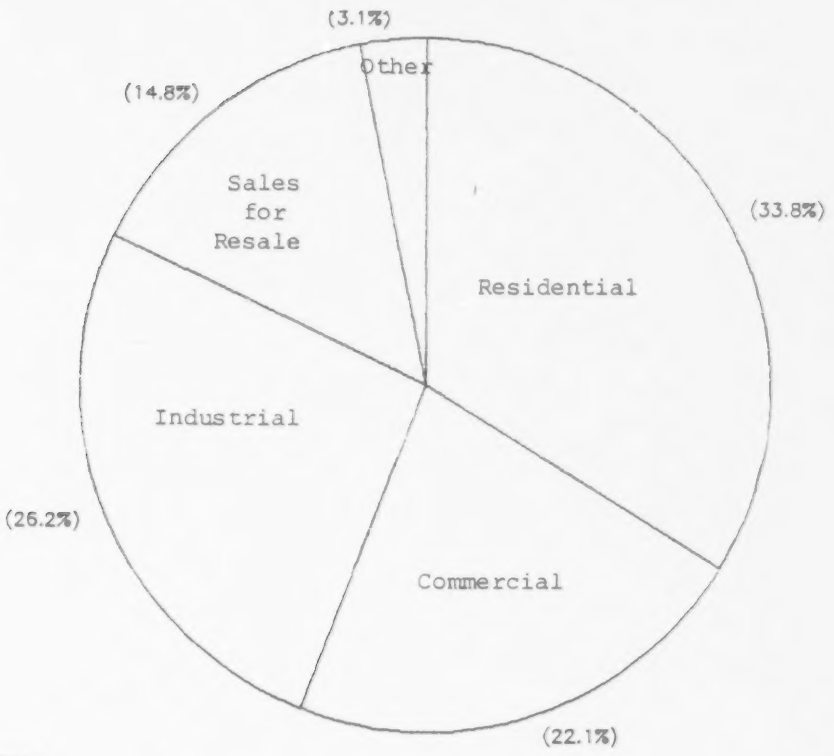
(3) Source: FERC Form No. 1: Annual Report of Major
Electric Utilities

(4) No reserve calculated--Nantahala meets its demand load by buying from TVA
the additional energy required above its Hydro generating capability.

FIGURE NO. 4-11

SOURCE AND DISPOSITION OF THE OPERATING REVENUE DOLLAR
ELECTRIC COMPANIES
NORTH CAROLINA CLASS A OPERATIONS ONLY
DECEMBER 31, 1986

SOURCE



DISPOSITION

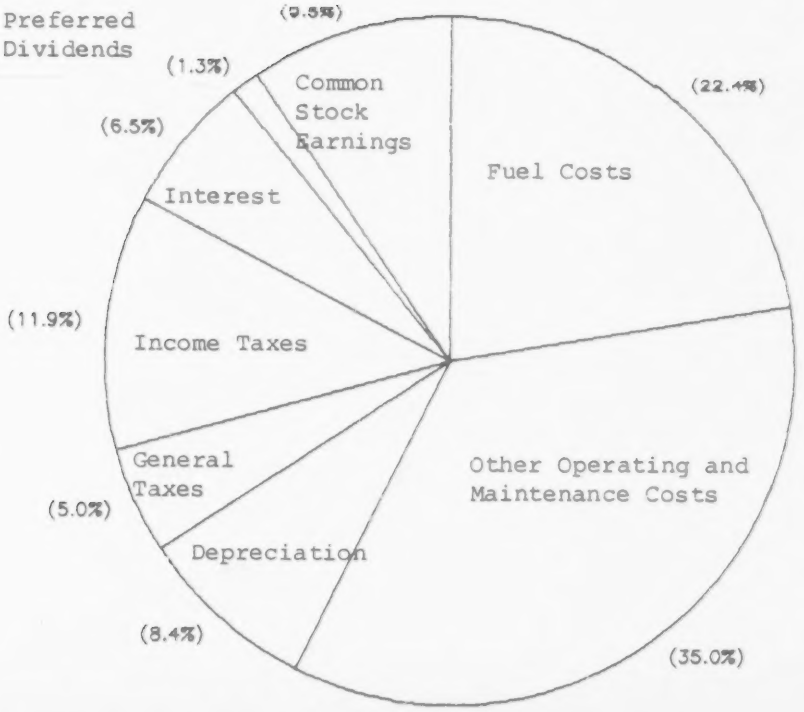


FIGURE NO. 4-12

SOURCE AND DISPOSITION OF THE OPERATING REVENUE DOLLAR
1986
ELECTRIC COMPANIES
North Carolina Class A Operations Only
(Dollars in 000s)

		1986 Revenue	% of Total
Source:			
	Residential	$1,458,189	33.8
	Commercial	$950,873	22.1
	Industrial	$1,126,941	26.2
	Sales for Resale	$637,075	14.8
	Other	$133,043	3.1
	Total	$4,306,121	100.0
Disposition:			
	Fuel Cost	$966,638	22.4
	Other Operating & Maintenance Costs	$1,505,856	35.0
	Depreciation	$363,921	8.4
	General Taxes	$214,985	5.0
	Income Taxes	$512,119	11.9
	Interest	$278,245	6.5
	Preferred Dividends	$56,317	1.3
	Common Stock Earnings	$408,040	9.5
	Total	$4,306,121	100.0

FIGURE NO. 4-13

FUEL COSTS
(Dollars in 000s)

	1981	1982	1983	1984	1985	1986
Fuel Costs	$989,366	$977,907	$971,944	$974,549	$981,583	$966,638
Other Operating & Maintenance Expenses	$630,846	$782,624	$803,615	$834,598	$1,114,177	$1,505,856
Total Operating & Maintenance Expenses	$1,620,212	$1,760,531	$1,775,559	$1,809,147	$2,095,760	$2,472,494
Fuel Costs as a % of Total Operating & Maintenance Expenses	61.1%	55.5%	54.7%	53.9%	46.8%	39.1%

FIGURE NO. 4-14

ENERGY SALES BY CLASSES
ELECTRIC COMPANIES--CLASS A
(North Carolina Data Only--Kilowatt-Hours in Billions
For the Years 1970, 1975, 1980, 1984, 1985, 1986

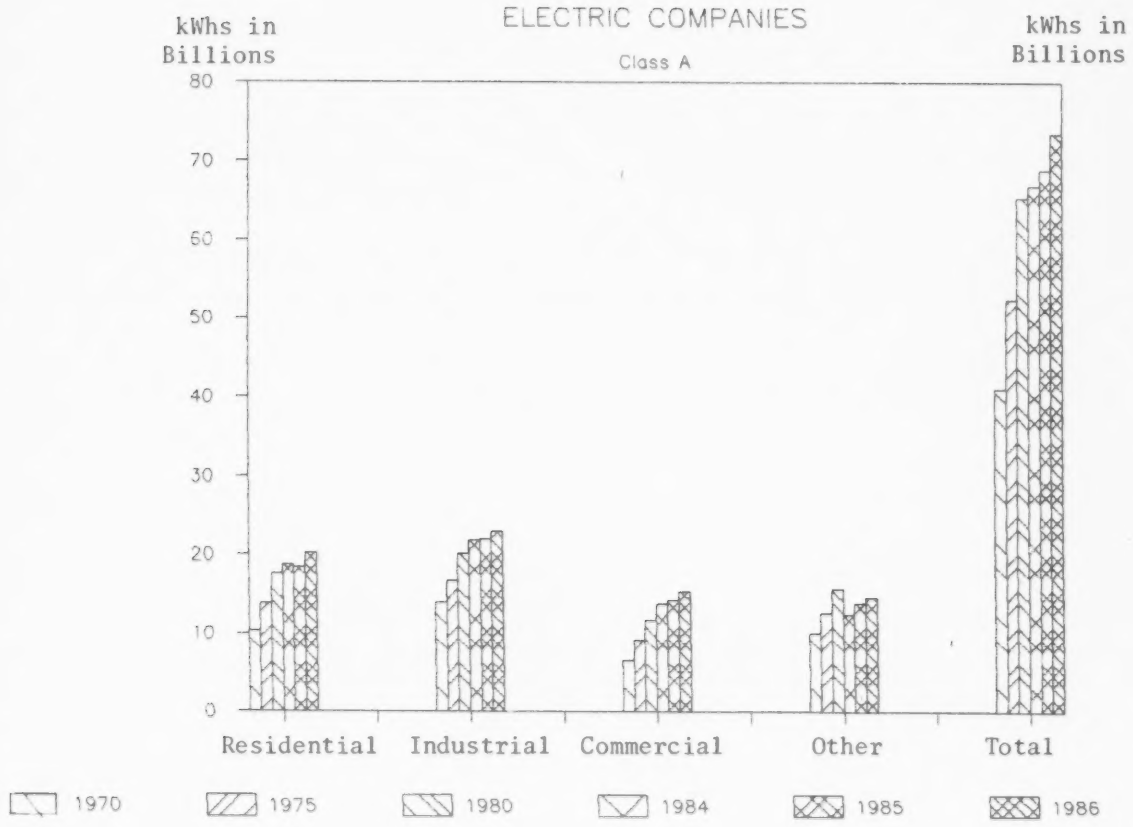


FIGURE NO. 4-15
CLASS A ELECTRIC COMPANIES--NORTH CAROLINA DATA AND SELECTED SYSTEMWIDE DATA
Income Statement, Balance Sheet, and Other Statistical Items
1960, 1965, 1970, 1975, 1980, 1985, 1986
(Dollars in 000s)

Item	1960	1965	1970	1975	1980	1985	1986	% Change More (Less) 1986-1985
No. of Companies Regulated and Included in this Data	4	4	4	4	4	4	4	
Income Items (N. C. Only)								
Residential Sales	$83,380	$112,279	$176,631	$425,940	$754,138	$1,267,504	$1,458,189	15.0 %
Commercial Sales	37,704	57,601	95,310	255,494	441,909	843,528	950,873	12.7 %
Industrial Sales	48,897	71,737	118,277	343,589	583,685	1,038,189	1,126,941	8.5 %
Sales for Resale	20,792	31,332	63,760	216,140	432,751	574,764	637,075	10.8 %
All Other Operating Revenue	6,867	12,409	16,379	26,465	53,387	134,434	133,043	(1.0)%
Total Operating Revenue	$197,640	$285,358	$470,357	$1,267,636	$2,265,870	$3,858,419	$4,306,121	11.6 %
Expense Items (1)								
Power Production Expense	$82,502	$119,869	$271,149	$688,699	$1,374,502	$1,641,819	$1,959,158	19.3 %
Transmission Expense						35,058	39,556	12.8 %
Distribution Expense						121,898	137,042	12.4 %
Customer Accounts Expense						59,490	67,351	13.2 %
Customer Service & Informational Expense			NOT ALLOCATED (A)			21,724	25,412	17.0 %
Sales Expense						851	1,188	39.6 %
Administrative & General Expense						214,920	242,787	13.0 %
Depreciation Expense	22,973	32,310	54,666	118,286	181,696	386,391	363,921	(5.8)%
Total Expenses Before Taxes	$105,475	$152,179	$325,815	$806,985	$1,556,198	$2,402,151	$2,836,415	14.3 %
State Taxes								
Income Tax	$3,052	$4,997	$2,194	$6,201	$15,179	$51,130	$45,023	(11.9)%
Gross Receipts Tax	11,592	16,589	26,912	75,007	135,011	113,854	119,412	4.9 %
Property Tax	5,741	8,495	13,460	24,629	35,740	42,695	53,225	24.7 %
Other Operating Taxes	28,148	38,732	17,442	114,083	169,536	12,457	2,029	(83.7)%
Total State Taxes	$48,533	$68,813	$60,008	$220,000	$355,466	$220,136	$219,689	(0.2)%
Federal Taxes								
Income Tax						$218,332	$259,599	18.9 %
Provision for Deferred Income Tax						283,810	286,281	0.9 %
Income Tax Deferred in Prior Years						(203,846)	(120,958)	(40.7)%
Investment Tax Credit			NOT ALLOCATED (A)			128,802	42,343	(67.1)%
Payroll, Unemployment, & Other Federal Taxes						23,341	40,319	72.7 %
Gain from Disposal of Utility Plant						(6)	(169)	N/A
Total Federal Taxes						$450,433	$507,425	12.7 %
Total State & Federal Taxes						$670,569	$727,104	8.4 %
Total Operating Expenses	$156,810	$220,991	$385,823	$1,026,985	$1,911,664	$3,152,720	$3,563,519	13.0 %
Net Operating Income	$40,830	$64,367	$84,534	$240,651	$354,206	$705,699	$742,602	5.2 %

(A) For the years prior to 1980 there was no allocation of these expense items to the North Carolina operations.

FIGURE NO. 4-15 CONTINUED
CLASS A ELECTRIC COMPANIES -NORTH CAROLINA DATA AND SELECTED SYSTEMWIDE DATA
Income Statement, Balance Sheet, and Other Statistical Items
1960, 1965, 1970, 1975, 1980, 1985, 1986
(Dollars in 000s)

	1960	1965	1970	1975	1980	1985	1986	% Change More (Less) 1986-1985
Other Income & Expenses								
Other Income						$141,261	$108,996	(22.8)%
Allowance for Funds Used During Construction						125,680	148,014	17.8 %
Deductions From Income			NOT ALLOCATED (A)			(7,603)	28,165	(470.4)%
Taxes on Other Income						(9,685)	(1,072)	(88.9)%
Net Other Income & Expense						$249,653	$229,917	(7.9)%
Fixed Charges								
Interest on Funded Debt						$388,219	$373,983	(3.7)%
Other Fixed Charges						15,006	16,852	12.3 %
AFUDC			NOT ALLOCATED (A)			(67,632)	(76,369)	12.9 %
Total Fixed Charges						$335,593	$314,466	(6.3)%
Extraordinary Income						0	0	0.0 %
Net Income						$619,759	$658,053	6.2 %
Balance Sheet								
Assets								
Utility Plant						$11,882,039	$12,927,876	8.8 %
Depreciation Reserve						2,768,960	3,007,388	8.6 %
Net Plant						$9,113,079	$9,920,488	8.9 %
Nonutility Property						17,680	18,193	2.9 %
Other Investments						366,035	363,425	(0.7)%
Cash						15,828	4,858	(69.3)%
Temporary Cash Investments						141,710	37,865	(73.3)%
Customer Accounts Receivable						222,653	256,675	15.3 %
Plant Material & Operating Supplies			NOT ALLOCATED (A)			111,134	133,863	20.5 %
Prepayments						22,202	24,202	9.0 %
Other Current & Accrued Assets						270,404	186,315	(31.1)%
Unamortized Debt Expense						8,451	8,451	0.0 %
Miscellaneous Deferred Debits						67,739	139,067	105.3 %
Accumulated Deferred Income Taxes						146,584	116,536	(20.5)%
Other Deferred Debits						698,764	651,234	(6.8)%
Total Assets						$11,202,263	$11,861,172	5.9 %
Liabilities & Stockholder's Equity								
Liabilities								
Accounts Payable						$233,977	208,100	(11.1)%
Notes Payable						4,267	181,282	4,148.5 %
Total Long Term Debt						4,245,665	4,299,805	1.3 %
Taxes Accrued						92,243	143,474	55.5 %
Miscellaneous Current & Accrued Liabilities			NOT ALLOCATED (A)			55,862	41,541	(25.6)%
Other Current & Accrued Liabilities						219,442	203,982	(7.0)%
Accumulated Deferred Investment Tax Credit						565,815	605,884	7.1 %
Accumulated Deferred Income Tax						1,445,672	1,577,239	9.1 %

(A) For the years prior to 1980 there was no allocation of these expense items to the North Carolina operations.

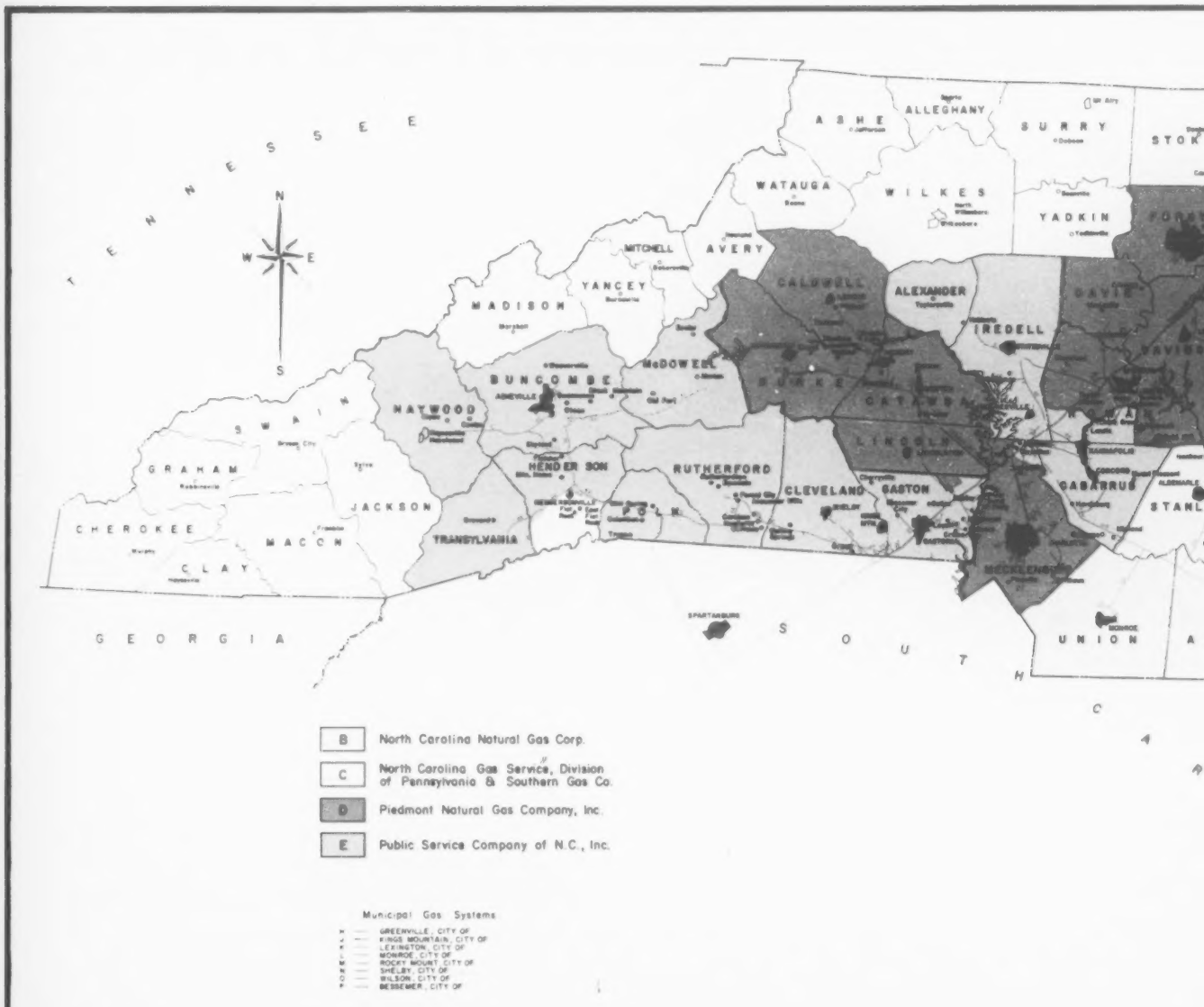
FIGURE NO. 4-19 CONTINUED

CLASS A ELECTRIC COMPANIES--NORTH CAROLINA DATA AND SELECTED SYSTEMWIDE DATA
Income Statement, Balance Sheet, and Other Statistical Items
1960, 1965, 1970, 1975, 1980, 1985, 1986
(Dollars in 000s)

	1960	1965	1970	1975	1980	1985	1986	% Change More (Les 1986-198
Other Deferred Credits						($576,297)	($541,976)	N/A
Operating Reserves			NOT ALLOCATED (A)			0	0	0.0 %
Total Liabilities						$6,286,646	$6,719,331	6.9 %
Stockholder's Equity								
Preferred Stock						$979,858	$902,006	(7.9)%
Common Stock						2,633,479	2,748,996	4.4 %
Other Paid in Capital						3,086	792	(74.3)%
Less Discount on Capital Stock						(605)	0	N/A
Retained Earnings			NOT ALLOCATED (A)			1,237,825	1,403,003	13.3 %
Other						61,974	87,044	40.5 %
Total Stockholder's Equity						$4,915,617	$5,141,841	4.6 %
Total Liabilities & Stockholder's Equity						$11,202,263	$11,861,172	5.9 %
Statistical Information (North Carolina Only)								
System Sales to Ultimate Consumer (kWh in 000s)			32,023,596	40,916,099	50,495,469	55,893,000	57,911,036	3.6 %
System Sales for Resale (kWh in 000s)			9,089,804	11,559,681	14,907,807	12,992,000	13,005,825	0.1 %
Total Sales to Ultimate Customers & For Resale (kWh in 000s)			41,113,400	52,475,780	65,403,276	68,885,000	70,916,861	2.9 %
Total Customers--Yearly Average	938,705	1,065,650	1,243,389	1,454,445	1,667,661	1,893,012	2,127,595	12.4 %
Average Numbers kWhs Used per Residential Customer	5,204	6,697	9,695	11,002	12,272	11,364	12,051	6.0 %
Average revenue per kWh--Residential customer (cents per kWh)	1.96	1.82	1.70	3.09	4.29	6.86	7.18	4.7 %
Number of Employees Residing in N. C.	7,454	7,875	9,414	14,022	18,534	21,798	23,0[illegible]5	5.9 %
Wages & Salaries Paid N. C. Employees	$39,146	$49,359	$80,612	$177,550	$353,390	$647,158	$705,671	9.0 %
				SYSTEMWIDE DATA				
Systemwide Data								
Operating Revenues	$397,459	$571,082	$949,248	$2,568,719	$4,825,864	$7,588,371	$8,449,528	11.3 %
Operating Expenses	309,888	432,958	751,909	2,032,596	3,987,765	6,126,226	6,825,953	11.4 %
Net Operating Income	87,571	138,124	197,339	536,123	838,099	1,462,145	1,623,575	11.0 %
Net Other Income (Expense)	17,505	37,371	49,148	150,636	123,030	(322,172)	(372,011)	15.5 %
Net Income	$70,066	100,753	148,191	385,487	715,069	1,139,973	1,251,564	9.8 %
Preferred Dividends			24,286	95,798	150,315	161,494	148,882	(7.8)%
Net Income for Common Shareholders			$123,905	$298,689	$564,754	$978,479	$1,102,682	12.7 %
Statistical Information (Systemwide)								
Long Term Debt	$737,334	$1,023,461	$2,168,664	$4,819,049	$7,403,022	$8,741,147	$8,944,691	2.3 %
Total Capitalization	$1,476,166	$2,005,861	$3,941,246	$9,094,143	$14,333,818	$18,265,890	$18,726,491	2.5 %
Long Term Debt % of Total Capitalization	49.9	51.1	55.0	52.9	51.6	47.9	47.8	(0.2)%
Shares of Common Stock Outstanding--Year End (000s)	55,246	57,732	76,521	153,720	237,495	310,514	318,292	2.5 %
Average Earnings Per Share--Shares at Year End (After Preferred Stock Dividends)	$1.17	$1.67	$1.62	$1.88	$2.38	$3.15	$3.46	9.8 %

(A) For the years prior to 1980 there was no allocation of these expense items to the North Carolina operations.

V. The Natural Gas Industry



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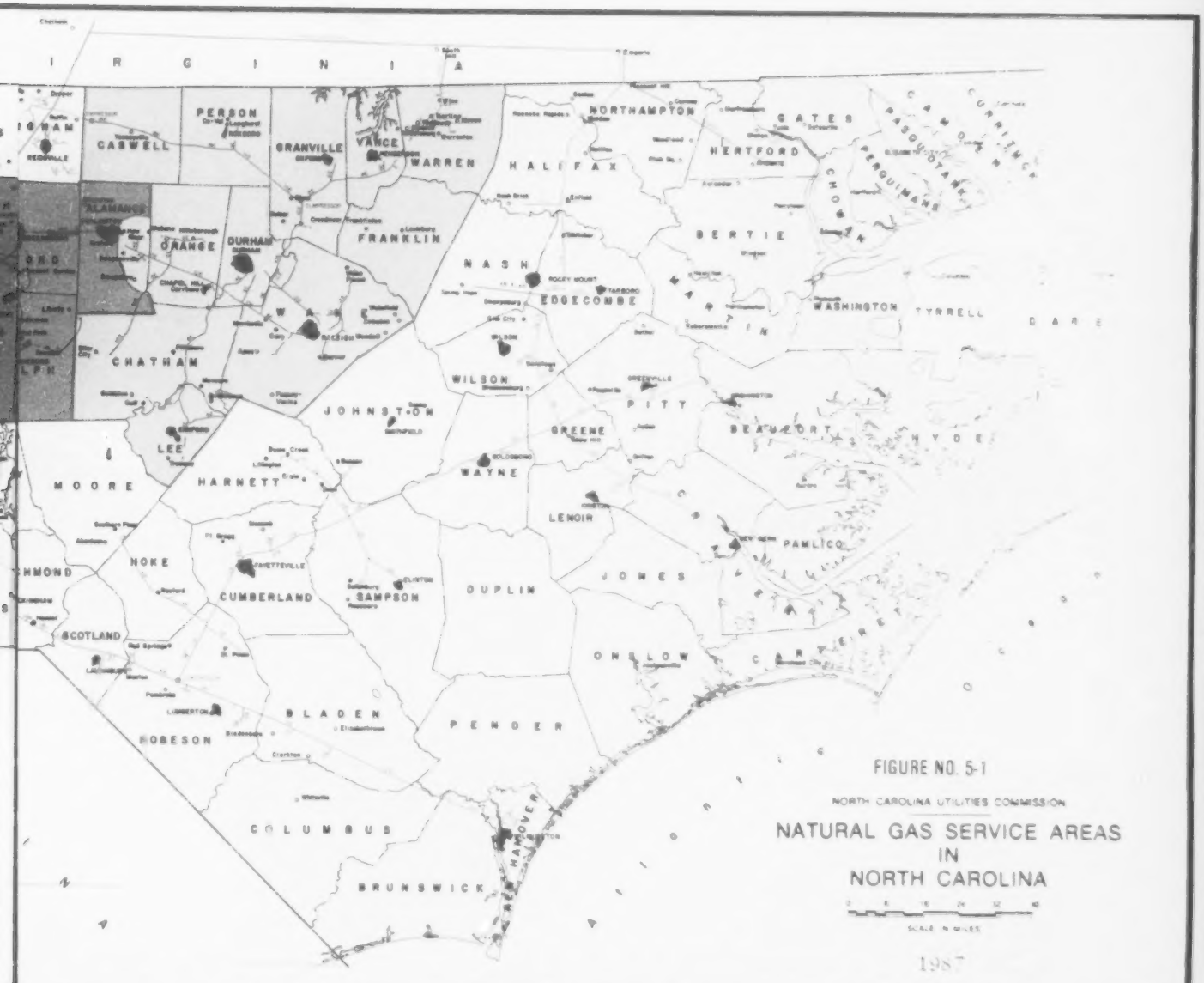

FIGURE NO. 5-1

NORTH CAROLINA UTILITIES COMMISSION

NATURAL GAS SERVICE AREAS
IN
NORTH CAROLINA

SCALE IN MILES

1987

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FIGURE NO. 5-2

NORTH CAROLINA GAS COMPANIES

As of December 31, 1986

North Carolina Natural Gas Corp.
150 Rowan Street
Fayetteville, North Carolina 28302
Mr. Frank Barragan, Jr., President

Piedmont Natural Gas Co.,Inc.
P. O. Box 33068
Charlotte, North Carolina 28233
Mr. John Maxheim, Chairman of the Board, President, and Chief Executive Officer

North Carolina Gas Service, Division of Pennsylvania & Southern Gas Co.
P. O. Box 779
Reidsville, North Carolina 27320
Mr. E.L. Lohmann, President and Chief Executive Officer

Public Service Co. of N.C., Inc.
P. O. Box 1398
Gastonia, North Carolina 28053
Mr. C.E. Zeigler, Sr., Chairman a President

FIGURE NO. 5-3

N.C. MUNICIPAL GAS SYSTEMS

As of December 31, 1986

Bessemer City, City of
132 West Virginia Ave.
Bessemer City, N.C. 28016
Mr. Charles W. Boyd
Gas Superintendant

Monroe, City of
P. O. Box 69
Monroe, N.C. 28110
Mr. J.E. Hinkle
City Manager

Greenville Utilities Commission
P. O. Box 1847
Greenville, N.C. 27834
Mr. Jasper Donald Hudson
Deputy Finance Director

Rocky Mount, City of
P. O. Drawer 1180
Rocky Mount, N.C. 27801
Mr. William G. Sherk
Director of Utilities

Kings Mountain, City of
P. O. Box 429
Kings Mountain, N.C. 28086
Ms. Judy H. Harmon
Assistant City Clerk

Shelby, City of
P. O. Box 207
Shelby, N.C. 28150
Mr. Michael L. Haggard
Gas Superintendant

Lexington, City of
28th West Center Street
Lexington, N.C. 27290
Mr. J.A. Yarbrough
Director of Finance

Wilson, City of
P. O. Box 10
Wilson, N.C. 27893
Mr. H. Gerald Pittman
Accounting Manager

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THE NATURAL GAS INDUSTRY

A. A BRIEF HISTORY OF THE NATURAL GAS INDUSTRY

During 1986 four Class A natural gas utility companies were under the regulation of the North Carolina Utilities Commission: North Carolina Natural Gas Corporation; North Carolina Gas Service -- a Division of Pennsylvania and Southern Gas Company, Inc.; Piedmont Natural Gas Company, Inc.; and Public Service Company of North Carolina, Inc. Class A utilities have annual gross operating revenues of $2,500,000 or more. Figure No. 5-1 is a map illustration of the natural gas service areas in North Carolina. Figure No. 5-2 is a list of the companies and their chief officers, and Figure No. 5-3 is a list of the North Carolina Municipal Gas systems.

North Carolina Natural Gas Corporation (NCNG) is a public utility, subject to regulation by the North Carolina Utilities Commission, which provides natural gas service to approximately 95,000 customers in eastern North Carolina, including residential, commercial, and industrial customers in 55 towns and cities and four municipal gas distribution systems. NCNG also serves natural gas to the agricultural community in its service area for use in the drying of farm products. NCNG also has a nonutility division which provides propane gas to over 5,000 customers. This division also sells gas appliances and home insulation services. Two wholly owned subsidiaries, NCNG Exploration Corporation and Cape Fear Energy Corporation, are engaged in exploration and production of natural gas and oil.

Public Service Company of North Carolina (Public Service) is a natural gas utility that serves approximately 190,000 residential, commercial, and industrial customers in 81 communities in North Carolina. It spans an area approximating 10,000 square miles in which more than 2.5 million people reside. Public Service was incorporated under the laws of the State of North Carolina in 1938 and is regulated by the North Carolina Utilities Commission as to rates, service area, quality of service, safety, service extensions and abandonments, acquisi-tions, accounting, and the issuance of securities. Public Service has one wholly owned subsidiary, PSNC Natural Resources Corporation, which is engaged in on-shore exploration and production of natural gas and petroleum products.

Piedmont Natural Gas Company (Piedmont) is a diversified energy and services company primarily engaged in the purchase, distribution, and sale of natural gas to over 330,000 residential, commercial, and industrial customers in 65 communities in North Carolina, South Carolina, and Tennessee. Piedmont and its subsidiaries are also engaged in the acquisition, marketing, and transportation of natural gas supplies, in oil and gas exploration and development, and in the sale of propane and associated products, commercial and industrial coal and fuel oil, and residential and commercial gas appliances. Piedmont's utility operations are subject to regulation by the North Carolina Utilities Commission, the Tennessee Public Service Commission, and the Public Service Commission of South Carolina.

Pennsylvania & Southern Gas Company (Penn. & Southern) North Carolina Gas Service is a division of Pennsylvania & Southern Gas Company (Penn. & Southern). Penn. & Southern operates five divisions in four states. The states include New York, North Carolina, Pennsylvania, and Maryland. The North Carolina Gas Service Division in located in Rockingham and Stokes Counties. It serves both natural and propane gases in an area with a population of approximately 83,000. The North Carolina Gas Service Division's customers number about 11,500 including forty-two industries of various sizes. The Division office is located in Reidsville. Natural gas requirements

are purchased from Transcontinental Gas Pipeline Corporation and Carolina Pipeline, with the exception of a small amount purchased from Rockingham Exploration Company.

B. PLANT INVESTMENT AND EXPANSION

The four major gas companies serve North Carolina cities and towns which have a combined population in excess of 5,400,000. The natural gas companies continued limited expansion of services by investing an additional $54 million in plant facilities for the 1986 calendar year. In 1985 gas companies invested an additional $53 million. At December 31, 1986, their combined total gross investment for the State was $638,773,000. This represents an increase of 9.2% from the preceding year. Figure No. 5-4 gives the gross plant investment for the natural gas companies for the period 1963-1986.

C. GROWTH TRENDS--CUSTOMERS, REVENUES VOLUME

In 1986 the annual average number of natural gas utility customers increased 5.4% from the previous year. Figure No. 5-5 shows the customer by classification for the years 1963-1986. Figure No. 5-6 shows the customer growth for the years 1965, 1970, 1975, 1980, 1985, and 1986 by major customer classification.

Figure No. 5-7 shows the sale pattern of natural gas to the specified customers in million dekatherms by the North Carolina regulated natural gas companies for the years 1965, 1970, 1975, 1980, 1985, and 1986 by major customer classification.

Figure No. 5-8 shows the summary of natural gas sales of mcf's and dekatherms, revenues, and customers by classification for the years 1965, 1970, 1975, 1980, 1985, and 1986.

In 1986 industrial sales totaled almost 66 million dekatherms. This reflects a 9.1% increase from the 1985 sales. Total industrial sales of dekatherms accounted for 52.1% of total natural gas sales in North Carolina by the regulated natural gas companies.

Figure No. 5-9 shows total customer growth, total revenues from the sales of gas, and total mcf's and dekatherms of gas sold by the regulated companies and the municipal gas systems for the years 1965, 1970, 1975, 1980, 1985, and 1986.

The municipals experienced a decrease in the number of customers of 11.8% in 1986, while the regulated gas utilities grew by 5.4%. Revenues from the sales of gas in 1986 decreased at a rate of 4.4% for the regulated gas companies and 26.2% for the municipals. The quantity of gas sold in terms of dekatherms in 1986 increased 8.4% for the regulated companies and decreased 25.7% for the municipals.

D. COMPARISONS OF RESIDENTIAL BILLS, USAGE, AND COST PER MCF OR DEKATHERM

Some average annual usages and cost data for the North Carolina natural gas companies and seven natural gas companies located in various sections of the United States are shown in Figure No. 5-10. The weighted average rate per dekatherm of the North Carolina customers is somewhat higher than the national average. This higher rate per dekatherm is partly due to the fact that the North Carolina distribution companies have only one major transmission pipeline as a supplier.

E. GAS TRACKINGS--PASS ONS--SPECIAL SITUATIONS, AND GENERAL RATE CASES

Wholesale Price Changes: Pursuant to authority granted to the Utilities Commission in G.S. 62-133 by the 1971 General Assembly, the Commission, in Docket No. G-100, Sub 14, established procedures under which gas companies in North Carolina could pass on to their customers wholesale increases in the cost of gas to them by their pipeline suppliers. This tracking authority has reduced the amount and number of general rate cases filed with the Commission during the years since 1972.

It has also reduced the lag time the companies would have experienced in recouping the increased gas costs which have a direct impact on the companies' level of earnings. The gas tracking changes approved by the Commission for the calendar year 1986 are found in Figure No. 5-11.

Special Situations: These gas trackings can be both increases and decreases in the cost of wholesale gas from Transco. The distributing companies maintain a "deferred" account in which the changes in cost of gas from the filed tariff rate are accounted for, and at an appropriate time applications to receive or refund the net effect are made with the Commission.

The tracking proceedings under which these pass ons are allowed involves filing of data by gas utilities essentially in the same format as filing for general rate proceedings. This data is reviewed and analyzed by both the Commission and Public Staff's Engineering and Accounting Divisions.

Gas Supply Volume Trackings: Since 1976 the Commission has granted approval for all the gas utilities to file Curtailment Tracking Adjustments (CTAs) such that the gas utilities' margin (difference in revenues and cost of gas plus gross receipts tax) was fixed in the general rate case. These mechanisms protected the gas utility from fluctuating changes in supply volumes. As the available supply of natural gas increased, the margins increased on sales to customers and permitted the customers' rates to be reduced while the companies' margin remained fixed. As volumes decreased the gas utility simply raised all customers' rates such that the margin remained constant. The mechanisms as described allowed interim adjustments to rates so the gas utility did not have to file constant general rate cases to take care of the volatile fluctuations in its supply of gas and resultant changes in margins. In 1983 the CTAs were replaced by the Industrial Sales Tracker (IST).

Industrial Sales Tracker (IST): The Industrial Sales Tracker implemented for Public Service Company and North Carolina Natural Gas is a modified curtailment tracking mechanism. The mechanisms collect revenues from those industrial customers who have heavy fuel oil as an alternate fuel and refund it to the high priority market. This mechanism was proposed by the Public Staff so the gas utilities could negotiate the sale of industiral natural gas and benefit all other customers. As industrial sales increase, the rates to all other customers is lowered, and by the same token, if individual natural gas sales decrease, the rate to all other customers will increase. This mechanism was begun in 1983 for the two gas utilities as mentioned earlier and was discontinued for Public Service Company in 1986.

Decreases in the amount of available gas result in an increased IST rate while increases result in a decreased IST rate. Changes in the available gas from the base year volumes due to fluctuations in gas supply and sales volume will inversely affect the IST base year volumes. Then the IST rate will be adjusted accordingly.

Rider D: The Rider D mechanism gives companies an opportunity to offset losses resulting from customers negotiating lower gas prices in lieu of purchasing alternate fuels. Public Service Gas Company proposed and was granted the Rider D mechanism. Under the Rider D, the purchased gas adjustment procedure enables the company to negotiate lower rates with customers and to recover any margin losses resulting thereof by spot market purchases. In summary the Rider D allows losses in margin, resulting from negotiating prices downward, to be offset by savings achieved through the company purchasing lower cost spot gas.

Exploration and Development Trackings (E&D): On June 28, 1975, the Commission established natural gas exploration rules (Docket No. G-100, Sub 22), which approved exploration and development programs. These programs

would be financed by customer and stockholder in the ratio of 75% to 25%, respectively. Initially every six months the distributors determined a dekatherm rate to be billed to their customers to receive their share of the allowable exploration and development costs. Successful discoveries are sold, and the proceeds used to reduce exploration costs, or the new gas is put into Transco's supply of gas to North Carolina distributors.

In September 1980 the North Carolina Utilities Commission terminated the ratepayers' participation in the E&D programs, except for development costs. Supplies of natural gas had begun to increase, thereby eliminating the necessity of further participation in the programs. The net effect of the termination of the programs is that the expenditures decreased, and the value of recoveries increased thus providing refunds to customers. The program currently is providing refunds to those customers who are being served as of September 1980, thereby assuring that only those customers who participated in the costs would also participate in the increased value of the recoveries. Refunds to customers participating in the E&D programs are determined on the same percentage basis as their share of the costs were tabulated. These refunds will continue as long as net revenues are being received from the sale of gas produced. Capital expenditures from exploration ventures through September 1986 were $88,534,502. The total net equivalent mcf production is 32,284,667. Therefore, the finding cost per mcf is $2.74. Figure No. 5-12 illustrates the 1986 refunds and cumulative dollars paid to fund the E&D programs.

General Rate Cases: There were two general rate increase cases filed by the regulated gas companies and approved by the North Carolina Utilities Commission during 1986. The total amount approved by the Commission was $8,249,000, or 56.3% of the amount requested. See Figure No. 5-13.

F. NATURAL GAS PIPELINE SAFETY

History and Overview: On August 12, 1968, the United States Congress passed Public Law 90-481, better known as the Natural Gas Pipeline Safety Act of 1968. This Act authorized the Secretary of Transporation to administer this law, develop standards, and regulate enforcement of such standards for the design, installation, inspection, testing, construction, extension, operations, replacement, and maintenance of pipeline facilities. Section 5a of this Act authorized each state to regulate these minimum standards through certification by the Secretary of Transportation providing certain provisions were met.

Section 62-50 (Safety Standards of Interstate and Intrastate Natural Gas Pipelines) was enacted as Chapter 1134 of the 1967 Session Laws and became effective January 1, 1968. In the 1969 Legislature an amendment was added to Section 62-50 of the General Statutes which authorized the North Carolina Utilities Commission to administer a state program pertaining to the design, installation, inspection, testing, construction, extension, operations, replacement, and maintenance of pipeline facilities used to transport natural gas in North Carolina.

The procedures and standards adopted by the North Carolina Utilities Commission as authorized under Section 62-50 is known as the North Carolina Gas Pipeline Safety Code. This code is a mandatory requirement under state law and noncompliance by any persons engaged in the transportation of gas or who own or operate pipeline facilities is subject to a civil penalty not to exceed $1,000 per each violation for each day that such violation persists, except that the maximum civil penalty shall not exceed $200,000 for any related series of violations. The law also provides authority for the Commission to file suit to restrain violations of the Code, including the restraint of transportation of gas for

the operation of the pipeline facilities.

The North Carolina Gas Pipeline Safety Code is comprised of three basic sections: Part 191 (Report of Leaks), Part 192 (Minimum Federal Safety Standards), and Part 193 (Liquified Natural Gas Facilities). In order to comply with the certification of the Secretary of Transportation, the Commission must adopt as part of its Code all minimum federal safety standards.

There are four major gas utilities in North Carolina along with eight municipal gas systems. In addition the 1979 session of the North Carolina General Assembly gave the Utilities Commission jurisdiction over master meter operations. This added 168 distribution systems to the already existing 175, bringing the total to 343 systems which must be inspected for compliance with the North Carolina Gas Pipeline Safety Code. Connecting and within these systems are 1,599 miles of transmission mains and 10,795 miles of distribution mains serving more than 461,000 customers in North Carolina.

Enforcement Activity: During 1986 the Gas Pipeline Safety Section of the Commission Staff spent 362 days inspecting 46 natural gas operators. Of the 66 inspection units inspected, 39 violations were detected. By the end of the year, 31 of the violations had been corrected in addition to the 29 carried over from 1985. The remaining eight violations were in the process of being corrected. The staff conducted five seminars in North Carolina for the state gas operators. Four accidents were investigated during the year, but only one exceeded $50,000 in damages and was reportable to the Department of Transportation. The cost of conducting the pipeline program for 1986 was $168,572, of which $96,345 was refunded to the State from the Department of Transportation.

G. SOURCE AND DISPOSITION OF THE GAS REVENUE DOLLAR

Shown in Figure No. 5-14 is a comparison chart reflecting both the source and disposition of the gas revenue dollar for the years 1980 through 1986. In Figure No. 5-15 this same information is illustrated in pie charts for both the source and disposition of the gas revenue dollar for 1986.

H. STATISTICAL SUMMARY DATA

The total gross operating revenues for the Class A natural gas companies were more than $609 million in 1986. This reflects a 4.3% decrease from the previous year. Similarly, operating expenses including taxes decreased 5.9% in 1986, and net operating income increased 22.6%.

Interest on long-term debt increased 19.5%, and, earnings per share outstanding decreased from $2.11 in 1985 to $2.03 in 1986. The average number of common stock shares outstanding increased by 56.2% to 14,532,000 shares at the end of 1986. The average number of full-time employees in 1986 totaled 2,697, an increase of 293 persons. The total wages paid these employees equaled $59,957,000, a 12.8% increase from the previous year. See Figure No. 5-16 for additional financial and operating statistical data.

FIGURE NO. 5-4

NATURAL GAS COMPANIES--CLASS A
GROSS PLANT INVESTMENTS--YEAR-END DATA ($000s)
1963-1986

	N.C. Natural Gas Co.	Penn & Southern Gas Co.	Piedmont Natural Gas Co.	Public Service Co. of N.C.	United Cities Gas Co.	Totals	% Increase Over Prior Year
1963	$29,325	$2,338	$45,175	$37,293	$672	$114,803	
1964	30,237	2,505	49,765	42,591	694	$125,792	9.6
1965	31,136	2,730	55,621	48,008	705	$138,200	9.9
1966	32,272	3,059	59,880	54,382	763	$150,356	8.8
1967	34,353	3,360	65,384	61,963	922	$165,982	10.4
1968	40,463	3,655	72,417	68,359	919	$185,813	11.9
1969	44,597	3,876	79,287	74,799	1,001	$203,560	9.6
1970	47,676	4,064	86,347	80,825	1,386	$220,298	8.2
1971	51,691	4,366	89,675	86,047	1,623	$233,402	5.9
1972	54,416	4,581	99,864	90,964	1,868	$251,693	7.8
1973	56,571	4,792	107,031	95,663	2,070	$266,127	5.7
1974	58,162	4,858	110,179	100,982	2,275	$276,456	3.9
1975	59,981	5,304	111,973	111,602	2,402	$291,262	5.4
1976	62,363	5,451	113,970	118,924	2,606	$303,314	4.1
1977	64,355	5,440	117,842	123,821	2,744	$314,202	3.6
1978	66,859	5,595	125,140	129,207	3,010	$329,811	5.0
1979	70,393	5,826	132,120	137,009	3,211	$348,559	5.7
1980	76,058	6,284	147,546	151,932	3,942	$385,762	10.7
1981	82,091	6,406	160,032	165,475	4,350	$418,354	8.4
1982	87,482	6,660	174,280	184,661	--	$453,083	8.3
1983	92,729	6,834	189,714	199,101	--	$488,378	7.8
1984	98,956	7,061	206,014	219,625	--	$531,656	8.9
1985	113,096	7,439	224,957	239,663	--	$585,155	10.1
1986	128,428	7,828	245,324	257,193	--	$638,773	9.2
Percent Increase (Decrease)							
1986 over 1985	13.6	5.2	9.1	7.3		9.2	

FIGURE NO. 5-5

CUSTOMERS BY CLASSIFICATION (YEARLY AVERAGE)
(N.C. Data Only)
1963-1986

	Residential	Commercial	Industrial (a) Firm	Industrial (a) Interruptible	Industrial (a) Total	Other (b) Classes	Totals	% Increase Over Prior Year
1963	125,435	17,470			1,661	13,387	157,953	
1964	134,097	18,903			1,802	13,276	168,078	6.4
1965	145,080	20,613			1,860	17,834	185,387	10.3
1966	156,836	22,363			1,984	16,187	197,370	6.5
1967	169,127	24,241			2,107	15,639	211,114	7.0
1968	182,622	26,250			2,018	17,193	228,083	8.0
1969	196,570	28,918			2,625	18,580	246,693	8.2
1970	208,712	30,572			2,789	20,213	262,286	6.3
1971	220,941	31,834	1,451	857	2,308	20,435	275,518	5.0
1972	233,746	32,409	1,429	907	2,336	21,083	289,574	5.1
1973	242,405	33,245	1,339	879	2,218	21,645	299,513	3.4
1974	251,611	34,239	1,011	872	1,883	21,820	309,553	3.4
1975	255,339	35,141	1,037	825	1,862	22,221	314,563	1.6
1976	259,355	35,435	1,096	656	1,752	22,561	319,103	0.6
1977	267,629	35,141	1,312	550	1,862	17,007	321,639	0.8
1978	276,273	35,559	1,543	276	1,819	14,444	328,095	2.0
1979	280,289	36,162	1,561	248	1,809	14,794	333,054	1.5
1980	294,343	37,904	1,617	294	1,911	15,140	349,298	4.9
1981	304,072	39,108	1,709	283	1,992	14,979	360,151	3.1
1982	314,108	40,624	1,760	266	2,026	14,962	371,720	3.2
1983	324,569	42,364	1,863	263	2,126	15,095	384,154	3.3
1984	335,249	44,147	1,848	256	2,104	15,532	397,032	3.4
1985	348,331	45,770	2,270	265	2,535	15,222	411,858	3.7
1986	367,393	48,605	2,352	561 (c)	2,913	15,099	434,010	5.4
Percent Increase (Decrease) 1986 over 1985	5.5	6.2	3.6	111.7	14.9	(0.8)	5.4	

(a) Division of industrial customers between firm and interruptible not reported for the years 1963-1970.
(b) Includes public housing units rather than meters.
(c) N. C. Natural Gas Company increased its number of interruptible customers by 303 in 1986 over 1985.

FIGURE NO. 5-6

GAS COMPANIES--CUSTOMER GROWTH BY CLASSES
(North Carolina Data Only--Annual Average Shown)
1965, 1970, 1975, 1980, 1985, 1986

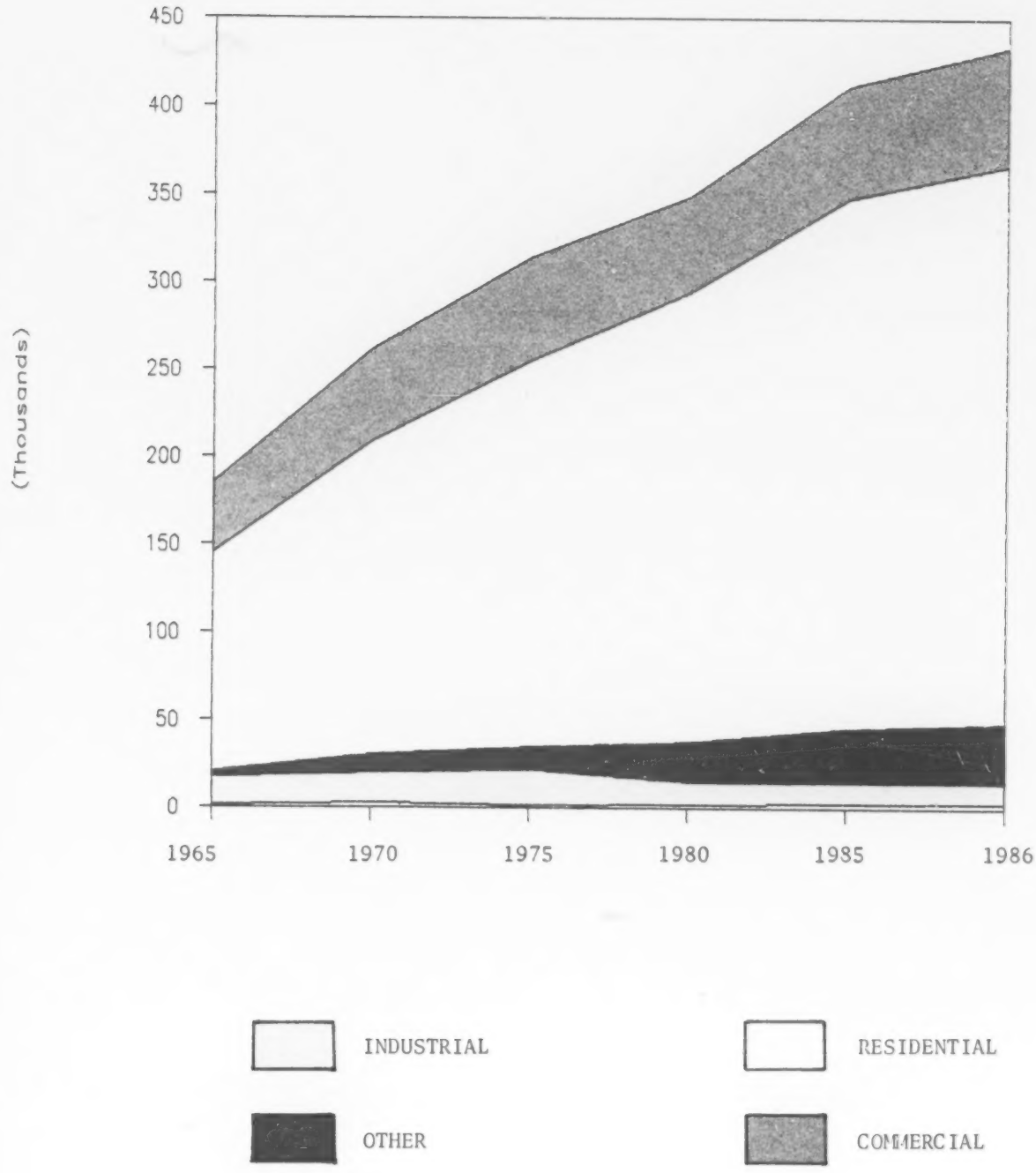


FIGURE NO. 5-7

GAS COMPANY ENERGY SALES BY CLASSES TO ULTIMATE CONSUMERS
(Millions of Dekatherms-North Carolina Data Only)
1970, 1975, 1980, 1984, 1985, 1986

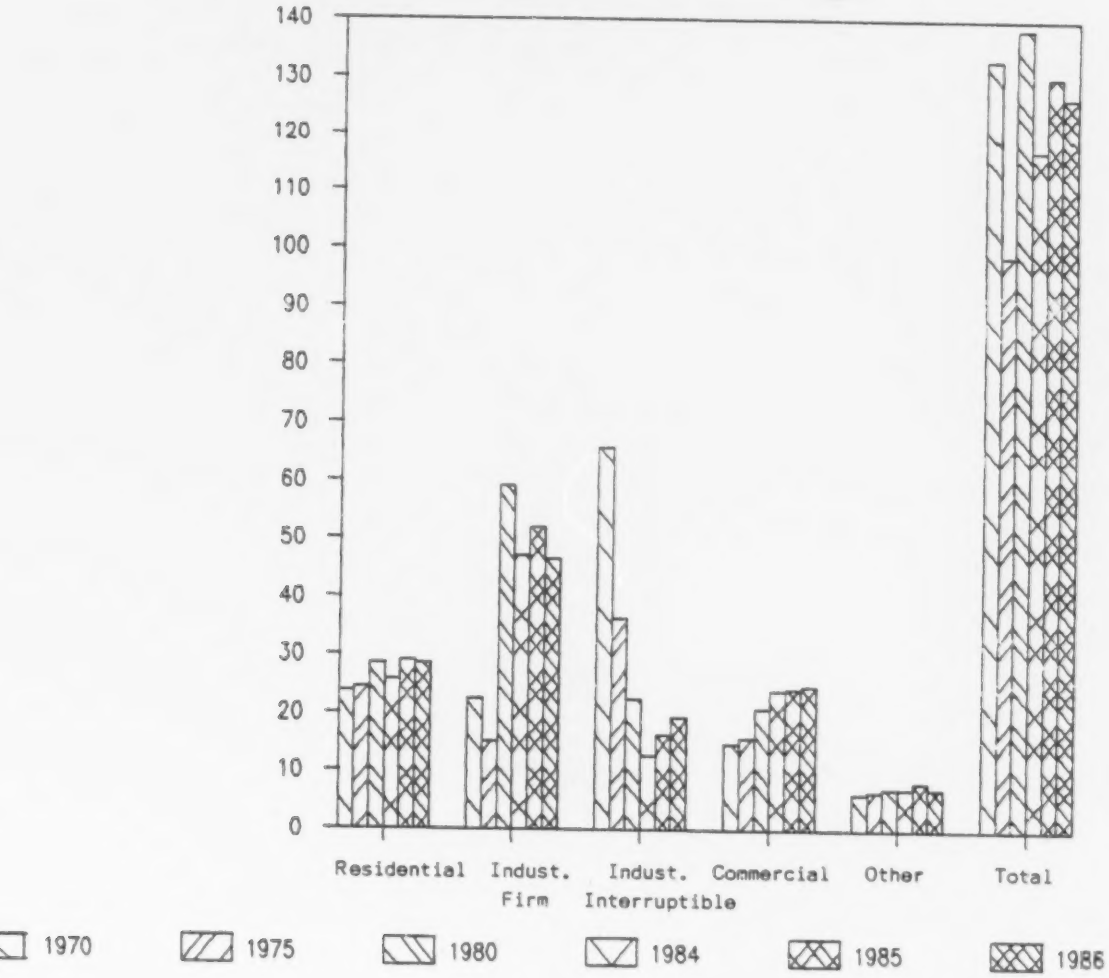


FIGURE NO. 5-8
Summary of Natural Gas Sales of Mcfs (1965-1975) and Dekatherms (1980-1986)
Revenues and Customers by Classification with Percent of Totals Shown
Calendar Years 1965, 1970, 1975, 1980, 1985, 1986

Sales--Mcfs and DTs (000s)	1965	% of Total	1970	% of Total	1975	% of Total
Residential	13,487	19.1	23,687	17.8	24,458	24.8
Commercial	6,539	9.3	14,889	11.2	15,867	16.1
Industrial	43,744	62.0	88,124	66.2	51,456	52.2
Other	6,769	9.6	6,344	4.8	6,768	6.9
Total Sales	70,539	100.0	133,044	100.0	98,549	100.0
Revenues: ($000s)						
Residential	$17,664	33.7	$31,217	31.7	$49,823	31.4
Commercial	9,194	17.5	16,295	16.5	28,308	17.8
Industrial	22,015	42.0	44,720	45.4	71,601	45.1
Other	3,564	6.8	6,255	6.4	9,028	5.7
Total Revenues	$52,437	100.0	$98,487	100.0	$158,760	100.0
Customers: (Annual Average)						
Residential	145,080	78.3	208,712	79.6	255,339	81.2
Commercial	20,613	11.1	30,572	11.7	35,141	11.2
Industrial	1,860	1.0	2,789	1.0	1,862	0.6
Other	17,834	9.6	20,213	7.7	22,221	7.0
Total Customers	185,387	100.0	262,286	100.0	314,563	100.0

Percent Change in Sales of Gas (Mcfs and Dekatherms)		
Sales:	1970/1965	1975/1970
Residential	75.6	3.3
Commercial	127.7	6.6
Industrial	101.4	(41.6)
Other	(6.3)	6.7
Total Sales	88.6	(26.0)

FIGURE NO. 5-8 CONTINUED
Summary of Natural Gas Sales of Mcfs (1965-1975) and Dekatherms (1980-1986)
Revenues and Customers by Classification with Percent of Totals Shown
Calendar Years 1965, 1970, 1975, 1980, 1985, 1986

Sales--Mcfs and DTs (000s)	1980	% of Total	1985	% of Total	1986	% of Total
	28,563	20.7	25,713	22.0	28,660	22.6
Residential	20,946	15.1	24,003	20.5	24,741	19.5
Commercial	81,591	58.9	59,952	51.3	65,951	52.1
Industrial	7,320	5.3	7,206	6.2	7,281	5.8
Other						
Total Sales	138,420	100.0	116,874	100.0	126,633	100.0
Revenues: ($000s)						
	$117,253	23.9	$165,987	26.1	$186,173	30.9
Residential	78,126	15.9	135,834	21.3	133,032	22.1
Commercial	269,458	55.1	287,098	45.1	235,571	39.1
Industrial	25,181	5.1	47,560	7.5	47,615	7.9
Other						
Total Revenues	$490,018	100.0	$636,479	100.0	$602,391	100.0
Customers: (Annual Average)						
	294,343	84.3	348,331	84.6	367,393	84.6
Residential	37,904	10.8	45,770	11.1	48,605	11.2
Commercial	1,911	0.6	2,535	0.6	2,913	0.7
Industrial	15,140	4.3	15,222	3.7	15,099	3.5
Other						
Total Customers	349,298	100.0	411,858	100.0	434,010	100.0

Percent Change in Sales of Gas (Mcfs and Dekatherms)

Sales:	1980/1975	1985/1980	1986/1985
Residential			
Commercial	16.8	10.0	11.5
Industrial	32.0	14.6	3.1
Other	58.6	(26.5)	10.0
Total Sales	8.2	(1.6)	1.0
	40.5	(15.6)	8.3

FIGURE NO. 5-9

REGULATED AND MUNICIPAL GAS SYSTEMS
Number of Customers, Total Revenue from Sales of Gas, and Total MCFS & Dekatherms Sold
($, Mcf-Dekatherms in 000s)
(N. C. Data Only)

	Number of Customers--Yearly Average (1)						
	1970	1975	1980	1984	1985	1986	% Increase (Decrease) 1986 over 1985
Regulated Utilities							
Class A							
N.C.Natural Gas	40,676	50,150	58,082	64,812	66,365	68,376	3.0
N.C. Gas Service (Penn. & Southern)	7,562	8,220	8,739	8,842	8,911	9,645	8.2
Piedmont Natural Gas	117,270	137,461	147,743	167,257	172,956	181,739	5.2
Public Service Co. of N.C.	94,942	116,198	131,787	156,121	163,626	174,050	6.4
United Cities Gas Co.	1,836	2,534	2,947	--	--	--	--
Total--Regulated Utilities	262,286	314,563	349,298	397,032	411,858	434,010	5.4
Municipals: (2)							
Bessemer City	534	508	354	562	565	584	3.4
Greenville, City of	4,057	4,687	3,456	4,203	4,409	4,561	3.4
Kings Mountain, City of	1,381	1,637	1,767	1,632	1,458	1,752	20.2
Lexington, City of	4,535	4,354	4,369	4,526	4,581	N/A	N/A
Monroe, City of	1,562	2,419	2,361	2,208	N/A	N/A	N/A
Rocky Mount, City of	5,580	7,460	8,195	9,001	9,437	9,779	3.6
Shelby, City of	3,752	3,767	3,684	4,284	4,250	4,301	1.2
Wilson, City of	4,626	5,442	5,873	6,351	6,386	6,448	1.0
Total--Municipals	26,027	30,274	30,059	32,767	31,086	27,425	(11.8)
GRAND TOTALS--ALL GAS SYSTEMS	288,313	344,837	379,357	429,799	442,944	461,435	4.2

FIGURE NO. 5-9 CONTINUED

REGULATED AND MUNICIPAL GAS SYSTEMS
Number of Customers, Total Revenue from Sales of Gas, and Total MCFS & Dekatherms Sold
($, Mcf-Dekatherms in 000s)
(N. C. Data Only)

	Total Revenue From Sales of Gas (N.C. Data Only) ($ in 000s)						
Regulated Utilities	1970	1975	1980	1984	1985	1986	% Increase (Decrease) 1986 over 1985
Class A:							
N.C. Natural Gas	$24,429	$42,986	$137,056	$182,410	$150,168	$131,203	(12.6)
N.C. Gas Service (Penn. & Southern)	2,446	3,166	9,642	14,876	12,783	$11,104	(13.1)
Piedmont Natural Gas	36,828	59,831	179,421	284,777	252,852	$243,411	(3.7)
Public Service Co. of N. C.	33,995	52,053	159,891	253,588	214,496	$216,673	1.0
United Cities Gas Co.	630	1,096	3,011	--	--	--	--
Total--Regulated Utilities	$98,320	$159,132	$489,021	$735,651	$630,299	$602,391	(4.4)
Municipals: (1)							
Bessemer City	$167	$301	$1,023	$1,576	$1,196	$1,034	(13.5)
Greenville, City of	589	1,145	3,660	6,005	5,986	$6,910	15.4
Kings Mountain, City of	479	947	2,817	4,544	3,972	$3,761	(5.3)
Lexington, City of	1,327	1,930	6,759	12,700	12,360	N/A	N/A
Monroe, City of	680	1,001	3,078	6,966	N/A	N/A	N/A
Rocky Mount, City of	1,543	2,715	8,563	11,532	11,214	$11,181	(0.3)
Shelby, City of	1,743	2,338	8,649	15,506	16,287	$13,719	(15.8)
Wilson, City of	919	1,399	2,803	5,932	5,410	$5,018	(7.2)
Total--Municipals	$7,447	$11,776	$37,432	$64,761	$56,425	$41,623	(26.2)
GRAND TOTALS--ALL GAS SYSTEMS	$105,775	$170,908	$526,453	$800,412	$686,724	$644,014	(6.2)

(1) Does not include Other Operating Revenues
(2) Municipal Data for years ending June 30

FIGURE No. 5-9 CONTINUED

REGULATED AND MUNICIPAL GAS SYSTEMS
Number of Customers, Total Revenue from Sales of Gas, and Total MCFS & Dekatherms Sold
($, Mcf-Dekatherms in 000s)
(N. C. Data Only)

	Total Mcfs and Dekatherms of Gas Sold (000s) 000s) (1)						
Regulated Utilities	1970	1975	1980	1984	1985	1986	% Increase (Decrease) 1986 over 1985
Class A:							
N. C. Natural Gas	39,687	30,763	41,947	34,273	30,522	31,875	4.4
N.C. Gas Service (Penn. & Southern)	4,265	1,898	2,672	2,455	2,200	2,152	(2.2)
Piedmont Natural Gas	46,231	34,822	48,991	49,952	46,358	49,976	7.8
Public Service Co. of N.C.	42,106	30,490	43,942	43,625	37,794	42,630	12.8
United Cities Gas Co.	755	576	868	--	--	--	--
Total--Regulated Utilties	133,044	98,549	138,420	130,305	116,874	126,633	8.4
Municipals: (2)							
Bessemer City	259	290	379	339	229	200	(12.7)
Greenville, City of	456	600	940	916	956	1186	24.1
Kings Mountain, City of	695	980	1,008	879	761	810	6.4
Lexington, City of	2,018	2,024	2,609	2,731	2,680	N/A	N/A
Monroe, City of	810	670	878	1,112	N/A	N/A	N/A
Rocky Mount, City of	1,726	1,608	2,170	1,957	1,963	2038	3.8
Shelby, City of	3,676	2,760	3,553	3,463	3,652	3200	(12.4)
Wilson, City of	821	782	853	941	877	831	(5.2)
Total--Municipals	10,461	9,714	12,390	12,338	11,118	8,265	(25.7)
GRAND TOTALS--ALL GAS SYSTEMS	143,505	108,263	150,810	142,643	127,992	134,898	5.4

(1) Sales for period 1965-1975 shown in Mcfs. Sales from 1980 shown in dekatherms (Dts). Dekatherms = 1.030 Mcfs.
(2) Municipal Data for fiscal years ending June 30.

FIGURE NO. 5-10

RESIDENTIAL NATURAL GAS CUSTOMERS AVERAGE ANNUAL USAGE AND COST DATA (Mcf and DT)
North Carolina and Selected Gas Companies Outside North Carolina
For the Years 1965, 1970, 1975, 1980, 1985, 1986

Company	Use--Mcf & DT (1)						Rate per Mcf or DT						Total Cost					
N.C. Gas Companies: (N.C. Data Only)	1965	1970	1975	1980	1985	1986	1965	1970	1975	1980	1985	1986	1965	1970	1975	1980	1985	1986
N.C. Natural Gas Corp.	72	99	77	79	60	65	$1.72	$1.55	$2.02	$4.04	$6.03	$5.87	$123.18	$137.95	$155.54	$319.16	$361.80	$381.55
N.C. Gas Service (Penn. & Southern)	121	138	116	92	71	75	1.08	1.00	1.79	4.11	6.67	6.25	131.25	138.00	207.64	378.12	473.57	468.75
Piedmont Natural Gas Co., Inc.	99	124	97	106	79	84	1.34	1.46	1.99	4.07	6.51	6.56	132.56	181.04	193.03	431.42	514.29	551.04
Public Service Co. of N.C., Inc.	94	115	98	95	73	77	1.45	1.39	2.15	4.11	6.51	6.62	136.28	159.85	210.70	390.45	475.23	509.74
United Cities Gas Co. (2)	68	93	88	89	---	---	1.72	1.53	2.40	4.18	---	---	117.05	142.29	211.20	372.02	---	---
Weighted Average	93	116	95	97	74	78	$1.41	$1.32	$2.05	$4.08	$6.46	$6.50	$131.44	$141.98	$194.75	$395.76	$478.04	$507.00
Gas Companies Outside N.C.: (Systemwide Data) (3)																		
Gas Company / Headquarters																		
Alabama Gas Co. Birmingham, Alabama	100	120	91	93	79	74	$1.13	$1.09	$1.72	$4.01	$6.27	$6.51	$113.00	$130.80	$156.52	$372.93	$495.33	$481.74
Arkansas Western Gas Fayetteville, Arkansas	131	139	114	105	90	84	.73	.82	1.12	2.59	4.90	5.07	95.63	113.98	127.68	271.95	441.00	425.88
Esser County Gas Co. Haverhill, Massachusetts	83	110	93	89	85	87	1.81	1.73	2.93	5.26	8.49	7.93	150.23	190.30	272.49	468.14	721.65	689.91
Fall River Gas Co. Fall River, Massachusetts	76	93	86	93	89	94	1.87	1.75	3.61	5.03	7.04	6.48	142.12	162.75	310.46	467.79	626.56	609.12
Indiana Gas. Co. Indianapolis, Indiana	165	170	160	144	114	113	.89	1.06	1.37	2.95	6.53	6.22	146.85	180.20	219.20	424.80	744.42	702.86
Mississippi Valley Gas Co. Jackson, Mississippi	102	102	87	90	78	73	.84	.88	1.41	3.30	5.12	5.33	85.68	89.76	122.67	297.00	399.36	389.09
Washington Natural Gas Co. Seattle, Washington	115	124	122	97	93	94	1.35	1.27	2.12	4.92	6.69	6.15	155.25	157.48	258.64	477.24	622.17	578.10
National Average (4)	117	129	122	115	98	94	$1.09	$1.06	$1.69	$3.17	$5.95	$5.65	$117.00	$133.18	$206.18	$364.55	$583.10	$531.10

(1) 1965-1975 Use shown in Mcfs
1980-1986 Use shown in Dekatherms (DTs)
1 Dekatherm = 1.030 Mcfs

(2) Public Service Co. of N.C., Inc. purchased United Cities Gas Co. and assumed full operation and control on Oct. 1, 1982, (Docket No. G-5,Sub 179)

(3) Source: Company Annual Stockholder Reports

(4) Source: Gas Facts--Editions for years shown

FIGURE NO. 5-11

GAS TRACKING CHANGES APPROVED
1986

Company	Docket	Number	Increase/ (Decrease)	Increase/(Decrease) Per Dekatherm
N.C. Gas Company (Penn. & Southern)	G-3, Subs 135 & 137	2	($368,697)	(16.15 cents)/DT
N.C. Natural Gas Company	G-21, Subs 258 & 261	2	($6,680,384)	(.75 cents)/DT
Piedmont Natural Gas Company	G-9, Subs 261 & 266	2	($7,555,658)	(15.71 cents)/DT
Public Service Gas Company	G-5, Subs 211 & 213	2	($6,377,795)	(15.78 cents)/DT
Total		8	($20,982,534)	

FIGURE NO. 5-12

1986 REFUNDS AND CUMULATIVE DOLLARS PAID TO FUND E & D PROGRAMS
BY TYPICAL RESIDENTIAL CUSTOMER AS OF 12/31/86

Company	Cumulative Costs per Customer			
	Total 1975-1982	Balance 1-01-86	Customer Refunds 1986	Balance 12-31-86
N.C. Gas Service (Penn. & Southern)	$30.86	$21.24	$(0.00)	$21.24
N.C. Natural Gas Company	51.26	32.36	(1.47)	30.89
Piedmont Natural Gas Company	36.88	19.07	(0.47)	18.60
Public Service Gas Company	49.71	31.53	(1.82)	29.70

FIGURE NO. 5-13
GENERAL RATE INCREASES APPROVED
GAS COMPANIES
1986

Company	Date Filed	Docket Number	Amount Requested ($000s)	Amount Approved ($000s)	% Approved of Amount Requested	Date of Final Order
N. C. Natural Gas Company	3-27-86	G-21, Sub 255	$6,146	$5,957	96.9%	11-10-86
Public Service Gas Company	4-11-86	G-5, Sub 207	$8,515	$2,292	26.9%	11-19-86
Total			$14,661	$8,249	56.3%	

FIGURE NO. 5-14

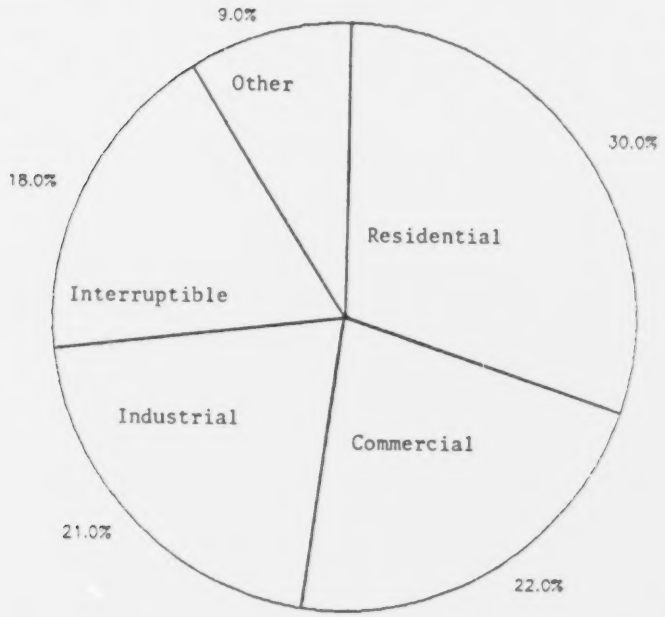
SOURCE AND DISPOSITION OF THE GAS OPERATING REVENUE DOLLAR
(N.C. DATA ONLY)
For the Years 1980-1986

Source:	1980	1981	1982	1983	1984	1985	1986
Residential	24%	23%	25%	26%	26%	26%	30%
Commercial	16	16	18	19	19	21	22
Industrial	48	41	39	36	38	36	21
Interruptible	7	15	13	13	12	9	18
Other	5	5	5	6	5	8	9
Total	100%	100%	100%	100%	100%	100%	100%

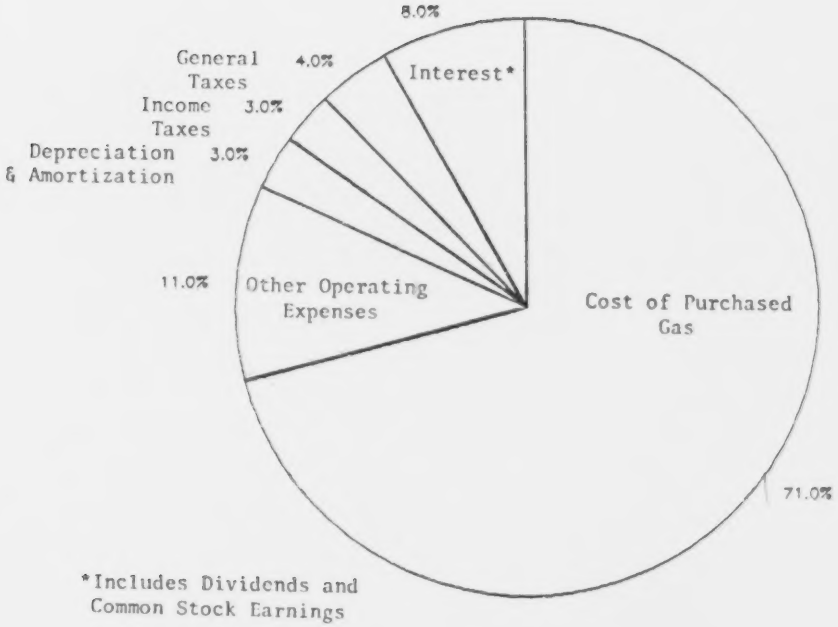
Disposition:	1980	1981	1982	1983	1984	1985	1986
Cost of Purchased Gas	75%	76%	76%	75%	74%	76%	71%
Other Operating Expenses	8	7	9	8	8	10	11
Depreciation & Amortization	2	2	2	2	2	2	3
Income Taxes	3	1	1	3	3	2	3
General Taxes	7	7	7	7	7	4	4
Interest	2	3	2	2	2	3	3
Preferred Dividends	2	2	2	2	1	1	1
Common Stock Earnings	1	2	1	1	3	2	4
Total	100%	100%	100%	100%	100%	100%	100%

FIGURE NO. 5-15
SOURCE AND DISPOSITION OF THE REVENUE DOLLAR
GAS COMPANIES
NORTH CAROLINA DATA ONLY
1986

SOURCE:



DISPOSITION:



*Includes Dividends and Common Stock Earnings

FIGURE NO. 5-16
CLASS A GAS COMPANIES
INCOME STATEMENT, BALANCE SHEET, AND CUSTOMER STATISTICS
For the Years 1965, 1970, 1975, 1980, 1985, and 1986
(NC Data Except as Noted)

Item	1965	1970	1975	1980	1985	1986	% Change 1986-1985
Number of Companies Regulated	7	5	5	5	4	4	
Number included in this data	7	5	5	5	4	4	
Income Statement (000s)							
Sales--Residential			$49,823	$117,253	$165,988	$186,173	12.2
Commercial			$28,308	$78,126	$135,833	$133,032	(2.1)
Industrial-Firm	NOT ALLOCATED (A)		$37,712	$235,197	$227,489	$127,347	(44.0)
Industrial-Interruptible			$33,890	$34,261	$59,610	$108,224	81.6
Other Sales			$9,399	$24,184	$41,379	$47,615	15.1
Total Sales of Gas	$52,112	$98,328	$159,132	$489,021	$630,299	$602,391	(4.4)
Other Operating Revenues	$325	$159	($372)	$997	$6,180	$6,646	7.5
Total Gas Operating Revenues	$52,437	$98,487	$158,760	$490,018	$636,479	$609,037	(4.3)
Expense Items							
Production Expense	$25,926	$51,628	$81,995	$367,455	$481,468	$433,149	(10.0)
Transmission Expense	$960	$1,909	$264	$395	$2,671	$2,861	7.1
Distribution Expense					$19,402	$20,267	4.5
Customer Accounts Expense					$11,794	$13,180	11.8
Sales Expense			$1,258	$2,396	$4,253	$5,271	23.9
Administrative & General Expense					$22,804	$25,508	11.9
Depreciation Expense	$3,463	$5,153	$7,660	$10,597	$14,901	$16,436	10.3
Natural Gas Storage					$1,763	$1,992	13.0
Customer Service & Informational Expense					$415	$446	7.5
Other Expense	$6,730	$11,688	$20,323	$34,520	$0	$0	0.0
Total Operating Expenses Before Taxes	$37,079	$70,378	$111,500	$415,363	$559,471	$519,110	(7.2)
State Taxes							
Income Tax	$337	$655	$1,286	$1,353	$881	$1,564	77.5
Gross Receipts Tax			$9,602	$29,022	$20,894	$18,802	(10.0)
Property Tax	$4,490	$8,289	$2,750	$3,128	$3,958	$4,201	6.1
Other State Taxes			$66	$197	$98	$1,529	1,460.2
Total State Taxes	$4,827	$8,944	$13,704	$33,700	$25,831	$26,096	1.0
Federal Taxes							
Income Tax	$2,539	$4,512	$9,053	$6,345	$3,328	$10,335	210.5
Provision for Deferred Taxes			$2,354	$3,435	$7,203	$9,470	30.0
Income Tax Deferred in Prior Years			($13)	($9)	($12)	($12)	0.0
Investment Tax Credit			$208	$2,637	$2,920	($148)	(105.1)
Payroll, Unemployment & Other Federal Taxes	$200	$1,118	$866	$1,461	$2,897	$1,581	(45.4)
Total Federal Taxes	$2,739	$5,630	$12,468	$13,869	$16,416	$21,226	29.3
Total State & Federal Taxes	$7,566	$14,574	$26,172	$47,569	$42,247	$47,322	12.0
Total Operating Expenses	$44,645	$84,952	$137,672	$462,932	$601,718	$566,432	(5.9)

(A) For the years prior to 1984 there was no allocation of these items to the North Carolina operations.

FIGURE NO. 5-16 CONTINUED
CLASS A GAS COMPANIES
INCOME STATEMENT, BALANCE SHEET, AND CUSTOMER STATISTICS
For the Years 1965, 1970, 1975, 1980, 1985, and 1986
(NC Data Except as Noted)

	1965	1970	1975	1980	1985	1986	% Change 1986-1985
Net Operating Income	$7,792	$13,535	$21,098	$27,086	$34,761	$42,605	22.6
Other Income & Expenses							
Other Income	$234	$1,003	$438	$3,013	$2,320	$2,174	(6.3)
Allowance for Funds Used During Construction			$484	$99	$1,191	$1,391	16.8
Deductions from Income			$53	$256	$1,103	$1,192	(208.1)
Total Other Income & Expense	$234	$1,003	$869	$2,856	$2,408	$2,373	(1.5)
Fixed Charges							
Interest on Funded Debt	$3,879	$6,428	$7,790	$9,348	$14,689	$17,552	19.5
Other Fixed Charges	$153	$1,359	$948	$2,915	$5,462	$3,527	(35.4)
Allowance for Borrowed Funds Used During Construction					($485)	($715)	47.4
Total Fixed Charges	$4,032	$7,787	$8,738	$12,263	$19,666	$20,364	3.5
Extraordinary Items					$458	$0	(100.0)
Net Income	$3,994	$6,751	$13,219	$17,679	$17,961	$24,614	37.0
Balance Sheet: Assets (000s)							
Utility Plant in Service	$138,298	$220,298	$280,163	$379,473	$563,715	$624,759	10.8
Construction Completed Not Classified	$0	$0	$0	$0	$2,078	$2,623	26.2
Leased to Others	$0	$0	$23	$23	$19	$19	0.0
Held for Future Use	$0	$0	$736	$250	$1,304	$1,322	1.2
Construction Work in Progress	$0	$0	$10,452	$6,036	$17,589	$9,600	(45.4)
Acquisition Adjustments	$0	$0	($112)	($20)	$450	$450	0.0
Total Utility Plant	$138,298	$220,298	$291,262	$385,762	$585,155	$638,773	9.2
Depreciation Reserve	$22,093	$41,397	$70,874	$115,234	$177,459	$192,276	8.3
Net Utility Plant	$116,205	$178,901	$220,388	$270,528	$407,696	$446,497	9.5
Customer Accounts Receivable					$65,344	$64,653	(1.1)
Accounts Receivable--Associated Companies					$8,443	$7,935	(6.0)
U.S. Government Securities					$0	$0	0.0
Temporary Cash Investments		NOT ALLOCATED (A)			$0	$1,001	N/A
Gas Stored Underground					$23,031	$21,215	(7.9)
Liquified Natural Gas Stored					$8,552	$7,832	(8.4)
Deferred Cost of Purchased Gas					$9,295	$6,917	(25.6)
Investment in Subsidiary Company					$6,549	$7,407	13.1
Prepayments					$2,326	$2,564	10.2
Miscellaneous Current & Accrued Assets					$10,875	$10,548	(3.0)
Other Assets					$24,884	$21,783	(12.5)
Total Assets					$566,995	$598,352	5.5
Liabilities & Stockholder's Equity							
Preferred Stock					$5,602	$4,727	(15.6)
Common Stock					$9,152	$9,492	3.7
Other Paid-in Capital		NOT ALLOCATED (A)			$27,737	$29,989	8.1
Premium on Capital Stock					$29,458	$45,039	52.9
Less Discount on Capital Stock					$0	$0	0.0

(A) For the years prior to 1984 there was no allocation of these items to the North Carolina operations.

FIGURE NO. 5 Is CONTINUED
CLASS A GAS COMPANIES
INCOME STATEMENT, BALANCE SHEET, AND CUSTOMER STATISTICS
For the Years 1965, 1970, 1975, 1980, 1985, and 1986
(NC Data Except as Noted)

	1965	1970	1975	1980	1985	1986	% Change 1986 1985
Less Capital Stock Expense					($331)	($331)	0.0
Retained Earnings		NOT ALLOCATED (A)			$84,562	$89,915	6.3
Other Capital					$0	$0	0.0
Total Stockholder's Equity					$156,180	$178,831	14.5
Total Long Term Debt					$154,690	$180,749	16.8
Short Term Obligations					$0	$0	0.0
Accounts Payable					$65,688	$61,963	(5.7)
Taxes Accrued					$3,397	$13,307	291.7
Matured Long Term Debt		NOT ALLOCATED (A)			$3,195	$2,362	(26.1)
Refunds Payable					$2,356	($33)	(101.4)
Accumulated Deferred Income Taxes					$56,417	$64,665	14.6
Accumulated Deferred Investment Tax Credits					$22,297	$22,093	(0.9)
Miscellaneous Current & Accrued Liabilities					$3,724	$1,612	(56.7)
Operating Reserves					$184	$120	(34.8)
Other Liabilities					$98,867	$72,683	(26.5)
Total Liabilities					$410,815	$419,521	2.1
Total Liabilities & Stockholder's Equity					$566,995	$598,352	5.5
Systemwide Data:							
Balance Sheet Items (000s)							
Long Term Debt	$94,565	$143,161	$146,661	$148,905	$202,452	$241,276	19.2
Retained Earnings	$9,442	$24,224	$48,294	$72,006	$106,619	$114,264	7.2
Total Capitalization	$143,994	$223,838	$258,189	$299,888	$399,480	$474,632	18.8
Long Term Debt % of Total Capitalization	65.7%	64.0%	56.8%	49.7%	50.7%	50.8	0.2
Average Number of Common Shares Outstanding (Actual)	5,443	6,156	7,115	8,432	9,303	14,532	67.0
Earnings Per Average Common Shares Outstanding (After Preferred Dividends)	$ .75	$ 1.24	$ 1.99	$ 2.37	$ 2.11	$2.03	(3.8)
Customer and Miscellaneous Data (N.C. Data)							
Average Annual Use--Residential Customers (DTs)	93	116	95	97	74	78	5.4
Total Residential Customers	145,080	208,712	255,339	294,343	348,331	367,393	5.5
Grand Total--All Types Customers	185,307	262,286	314,563	349,298	411,858	434,010	5.4
Average Number Full Time Employees	1,410	1,851	1,764	2,067	2,404	2,697	12.2
Total Salaries and Wages Paid Employees ($000s)	$7,751	$13,539	$17,216	$33,085	$53,141	$59,957	12.8
Average Annual Compensation Per Employee	$5,497	$7,315	$9,760	$16,006	$22,105	$22,231	0.6

(A) For the years prior to 1984 there was no allocation of these items to the North Carolina operations.

VI. The Communications Industry

Telephone, Western Union, Radio Common Carrier

FIGURE 6-1A

LOCAL EXCHANGE TELEPHONE COMPANIES OPERATING
UNDER THE JURISDICTION OF THE
NORTH CAROLINA UTILITIES COMMISSION
AS OF JANUARY 1, 1988

ALLTEL-Carolina, Inc.
P.O. Box 1209
106 Gordon Street
Sanford, N.C. 27330
MR. GEORGE H. SIDMAN, PRESIDENT

Barnardsville Telephone Company
P.O. Box 158
Leesburg, Alabama 35983
MR. JOSEPH E. HICKS, PRESIDENT

Carolina Telephone & Telegraph Company
720 Western Blvd.
Tarboro, N.C. 27886
MR. WILLIAM F. WARDELL, V.P.- ADMINISTRATION

Central Telephone Company
P.O. Box 2308
Hickory, N.C. 28601
MR. LARRY B. HOUCK, VICE PRESIDENT

Citizens Telephone Company
P.O.Box 1137
Brevard, N.C. 28712
MR. C.W. PICKELSIMER, JR., VICE PRESIDENT & GEN. MANAGER

Concord Telephone Company
P.O.Box 227
Concord, N.C. 28025
MR. PHIL WIDENHOUSE, EXECUTIVE VICE PRESIDENT

Contel of North Carolina, Inc.
Reems Creek Road
P.O. Box 655
Weaverville, N.C. 28787
MR. JIM THOMAS, ADMINISTRATOR-PUBLIC AFFAIRS

Contel of Virginia, Inc.
P.O. Box 900
Mechanicsville, Virginia 23111
MR. DALLAS H. REID, DIRECTOR

Ellerbe Telephone Company
Drawer 220
Ellerbe, N.C. 28338
MR. J.M. BENNETT, PRESIDENT

GTE South, Inc.
P.O. Box 1412
Durham, N.C. 27702
MR. TERRY M. DESMOND, GOVERNMENT RELATIONS MANAGER

Heins Telephone Company
Drawer 1209
Sanford, N.C. 27330
MR. WALTER L. DRURY, VICE PRESIDENT & GEN. MANAGER

Lexington Telephone Company
P.O. Box 808
Lexington, N.C. 27292
MR. W.C. HARRIS, PRESIDENT

Mebane Home Telephone Company
P.O. Box 9
Mebane, N.C. 27302
MR. W.R. HUPMAN, JR., PRESIDENT

North State Telephone Company
P.O. Box 2326
High Point, N.C. 27261
MR. ROYSTER M. TUCKER, PRESIDENT

Pineville Telephone Company
200-208 Dover Street
Pineville, N.C. 28134
MR. JOSEPH BAKER, MANAGER

Randolph Telephone Company
Drawer A
Liberty, N.C. 27298
MR. W.M. FITZGERALD, PRESIDENT

Saluda Mountain Telephone Company
P.O. Box 37
Saluda, N.C. 28773
MR. EDWIN C. LELAND, PRESIDENT

Sandhill Telephone Company
P.O. Box 625
Matthews, N.C. 28105
MR. GEORGE H. SIDMAN, PRESIDENT

FIGURE 6-1A CONTINUED

LOCAL EXCHANGE TELEPHONE COMPANIES OPERATING
UNDER THE JURISDICTION OF THE
NORTH CAROLINA UTILITIES COMMISSION
AS OF JANUARY 1, 1988

Service Telephone Company
P.O. Box 158
Leesburg, Alabama 35983
MR. JOSEPH E. HICKS, PRESIDENT

Southern Bell Telephone & Telegraph Co.
P.O. Box 30188
10th Floor Southern National Center
Charlotte, N.C. 28230
MR. CARL E. SWEARINGEN, ASSISTANT VICE PRESIDENT

MAJOR LONG DISTANCE CARRIER OPERATING
UNDER THE JURISDICTION OF THE
NORTH CAROLINA UTILITIES COMMISSION
AS OF JANUARY 1, 1988

AT&T Communications of the Southern States, Inc.
P.O. Box 2148
Charlotte, N.C. 28211

A. BRIEF REVIEW OF THE TELEPHONE INDUSTRY--GENERAL

At December 31, 1986, there were nineteen telephone companies, one major interexchange carrier, and one telephone municipality under the jurisdiction of the North Carolina Utilities Commission. Six of these companies also have operations in other states. These companies include ALLTEL Carolina Telephone Company, American Telephone and Telegraph Communications, Inc., Central Telephone Company, Continental Telephone of Virginia, GTE South, Inc., and Southern Bell Telephone and Telegraph Company.

The statistical comparisons of the major telephone companies are shown in the schedules following the narrative section of this chapter and include data through 1986. However, more recent data was available and utilized for various schedules. The schedule headlines identify the time period covered.

A list of the Telephone Holding Companies and their wholly owned or controlled operating telephone companies, which were under Commission regulation as of December 31, 1986, is as follows:

Parent Holding Company	Operating Telephone Company
BellSouth Corp.	Southern Bell Tel. & Tel. Co.
Centel Corporation	Central Tel. Co.
Continental Tel. Co.	Cont. Tel. Co. of North Carolina
	Cont. Tel. Co. of Virginia (Serves Knotts Island, N.C.)
Gen. Tel. & Electronics	Gen. Tel. Co. of South
Mid-Continent Tel. Co.	ALLTEL Carolina Tel. Co.
	Sandhill Tel. Co.
T.D.S. Inc. (Telephone & Data Systems, Inc.)	Barnardsville Tel. Service Tel. Co.
United Telecommunications, Inc.	Carolina Tel. & Tel. Co.

Description of the Divestiture Transaction of American Telephone & Telegraph Company (AT&T)

On January 1, 1984, the divestiture of the Bell system was implemented. Under the terms of the divestiture agreement, AT&T had to divest itself of ownership of the Bell operating companies (BOC) that relate to exchange telecommunications, access functions, and printed directory advertising, as well as its cellular advanced mobile communications service business. AT&T retained ownership of AT&T Communications, Western Electric, Bell Laboratories, AT&T Information System, AT&T International, and those portions of the BOC's which provide interexchange service and customer premises equipment. As a result of the divestiture, AT&T Communications of the Southern States, Inc. (ATTCOM), was certified to provide the interLATA long-distance service within North Carolina previously provided by Southern Bell Telephone & Telegraph Company. Southern Bell continues to provide local exchange service and intraLATA long-distance service within its certificated area. Separate rates and tariffs were established for the respective services of AT&T and Southern Bell.

B. CUSTOMER GROWTH AND IMPACT ON PLANT INVESTMENT

The regulated utilities had a total of 2,746,345 access lines in service as of December 31, 1986. This is an increase of 4.6% from 1985 with 2,625,781 access lines. Figure No. 6-1 shows total telephones by companies for the years 1960, 1965, 1970, 1975, 1980, and 1981. Figure No. 6-2 shows access lines for the years 1985 and 1986. In 1982 the telephone industry changed its system of reporting the number of telephones served by each company to the number of access lines. For a definition of access line see Figure No. 6-3. In 1986 Southern Bell Telephone and Telegraph Company continued

to serve 50% and Carolina Telephone and Telegraph continued to serve 25% of the total customers in North Carolina.

The installation of additional access lines required additional investment. For example, in installing an additional access line, provisions must be made for central office equipment, circuits, and lines to accommodate the traffic potential of the installation. The telephone companies generally attempt to engineer for a five- to seven-year growth period in outside cable plant facilities and for a one- to two-year growth period in central office equipment. Unlike other industries, increased volume and increased installations do not necessarily mean increased profits for the telephone utilities. In many instances, increased volume can mean less net earnings where the unit cost of servicing the investment exceeds additional unit revenue derived. This is particularly true in sparsely populated areas requiring high investment per line. The same unit profit squeeze may also be evident in meeting demands for higher grades of service; for example, because of rate differentials where a subscriber who had been receiving four-party service asks for and receives one-party service, the increased revenue per unit may not keep pace with the additional investment and expense.

C. DEMANDS FOR SERVICE

The telephone companies in North Carolina for several years have been faced with an enormous challenge in meeting demands for service. However, as more and more telephone service is extended throughout the State, the overall problem changes somewhat from satisfying demands for service, on which the Commission and the companies have placed special emphasis, to satisfying demands for better quality and upgraded service.

D. EXTENDED AREA SERVICE (EAS)

Extended Area Service is the industry term applied to the extension of local calling from one telephone exchange to and from another exchange without a toll charge being levied. Extended area coverage was approved for seven (7) companies in 1986 and five (5) companies in 1987.

E. TELEPHONE RATES--COMMENTS

Local Exchange Rates

These are the monthly charges for basic telephone service as fixed by the Commission. These rates are divided between residential and commercial telephones and are graduated upward from four-party to single-party service. Local exchange rates for a particular company are fixed on a companywide basis according to the calling scope of the particular exchange; i.e., the number of main stations and PBX trunks in an exchange which a single subscriber may telephone without toll charge. These rate groupings are not standard among the companies. Figure No. 6-4 shows rate groupings with rates for the regulated telephone companies.

The practical result of the foregoing "value of service principle" is that a company's subscribers in an urban area will pay a higher monthly local exchange rate than the same company's subscribers in a community having a substantially smaller number of telephones that can be called without a toll charge. Thus unlike electric and natural gas utilities which have standard rates applicable to a customer classification companywide, the telephone companies have different rates for basic service depending upon the telephone population or calling scope in the particular exchange. Telephone rates also vary substantially between companies and states. Figure No. 6-5 shows a ten-year history of average North Carolina telephone bills for local service.

Toll Charges

Calls between two separate exchanges are "long distance" or toll charge calls, unless arrangements have been made for extended area (toll-free) service. IntraLATA service charges in North Carolina are uniform throughout the state. See Figure No. 6-6 for an example of IntraLATA service charges.

Two- and Four-Party Service

Two-party and four-party service in North Carolina was .63% of 1% and .37% of 1%, of total lines, respectively, in 1986 as compared to .48% of 1% and .28% of 1% in 1987.

Service Charges

These are the charges made for installing, moving, and changing telephone instruments. These charges have been increased for some companies in the past few years mostly in rate case proceedings to make them more cost-related. Charges for inside wiring, jack, and equipment work were deregulated on January 1, 1987. Figure No. 6-7 shows some typical charges by selected companies for various services relating to installing a telephone.

Special Charges

Certain special equipment requires special rates and special consideration by the Commission. These rates are fixed individually on a case-by-case and company-by-company basis and vary widely because of variances in equipment and operating characteristics.

F. RATE INCREASES APPROVED

During 1986, general rate increases were approved for two telephone companies. Of the $11,862 amount requested, only $7,077, or 59.7% was granted. Details of the general rate proceedings are found in Figure No. 6-8.

G. WESTERN UNION OFFICES

The Western Union Telegraph Company (Western Union), organized in New York in 1851, is the principal subsidiary of Western Union Corporation. Western Union has developed and provides a wide range of communications and related services including network services through Telex I and Telex II, private communications, information handling systems to the government and to industry, money transfer services, and other services such as maintenance under contracts with customers who own or lease terminals and other communications related equipment.

In recent years as large businesses made growing use of their telex and TWX terminal capability for originating telegrams, and as smaller businesses and the general public increasingly availed themselves of telephone convenience for sending their telegrams, the need for independent offices and branches owned by Western Union steadily declined in the United States and in North Carolina. For example, there were 860 such offices in 1971 nationwide and 25 in North Carolina, and in 1986 they had declined to 13 and 0 respectively. Less than 10% of public message traffic is accepted over the counter, and most of that traffic is money order business.

The number of agency or commission offices have remained fairly constant. They are most often small "mom and pop" operations by persons other than employees of Western Union. In 1971 there were 6,913 of these type operators nationwide and 249 in North Carolina.

The following illustrates the number of Western Union offices in the United States and in North Carolina for 1985 and 1986:

	United States		North Carolina	
	1985	1986	1985	1986
Independent Offices & Branches	39	13	0	0
Joint Offices	0	0	0	0
Agency or Commission Offices	8,520	10,675	324	366
Total	8,559	10,688	324	366

Due to the passage of the Record Carrier Competition Act of 1981 (P.L.97-130), the Utilities Commission no longer regulates the intrastate record services of the Western Union Telegraph Company.

H. RADIO COMMON CARRIERS

There were twelve Radio Common Carriers (RCCs) certified to operate in North Carolina at the end of 1987. These RCCs provide two-way mobile telephone service and one-way radio paging service to approximately 15,000 units within the State. The services offered by RCCs generally include automatic dial as well as manual operation for mobile units and pagers. Interconnection with the landline telephone network is provided in order to permit direct communications between landline telephones and RCC mobile/paging units.

The growth of RCC two-way mobile units has been hampered by the limited number of VHF radio channels available from the Federal Communications Commission (FCC). While the demand for RCC service has been increasing in the metropolitan areas, the limited number of radio channels has restricted the number of subscribers an RCC could serve and still maintain an acceptable quality of service. It is anticipated that most future mobile telephone growth will have to be met through the use of higher frequency channels in the 450 MHz or 900 MHz bands.

There have been no general rate increases for radio common carriers since 1982.

I. CELLULAR RADIO TECHNOLOGY

Cellular Radio Technology has greatly enhanced and improved two-way radio service. Under the "cellular mobile radio service" technology, the number of radio base stations is expanded so that as a two-way mobile radio subscriber moves through the service area, his call is automatically and instantly "handed off" from one base station to another so that a subscriber may originate and terminate calls from any point within the service area. Two or more callers can share the facilities simultaneously. Central switching equipment automatically routes calls through interconnection with the landline telephone network so that mobile-to-land calls can be completed as well as mobile-to-mobile calls. Unlike the conventional two-way calling now offered by most of the mobile radio common carriers in their franchised areas, the "cellular mobile radio" system has a built-in capacity to expand as public demand increases with a grade of service comparable to landline telephone service.

The Federal Communications Commission allocates frequencies, grants facility construction permits, and grants licenses for facilities used in one-way and two-way mobile radio systems. The FCC has identified nine markets (Cellular Geographic Service Area [CGSA]) nationwide in which the public demand and need will justify cellular enhancement. Accordingly the FCC has allocated two 20 MHz groups to each market. Initially one license will be available to a wireline carrier and one license to a nonwireline carrier in each market area. There have been fifteen cellular telephone compa-

nies issued certificates since the first companies applied in 1984.

J. SOURCE AND DISPOSITION OF REVENUES--COMMENTS

The telephone companies derived about 31.1% of their revenues from local charges, 37.6% from toll charges, 25.3% from access charges, and 6.0% from miscellaneous services in 1986 compared to 30.7%, 39.1%, 23.7%, and 6.5% in 1985.

The components of the disposition of the revenue dollar as shown in Figure No. 6-9 indicates that for the year 1986 compared to 1985, interest and taxes other than income increased while all other disposition components decreased.

K. PLANT INVESTMENTS--COMMENTS

The regulated telephone companies increased gross plant investment in North Carolina 6.0% in 1983, 8.8% in 1984, 2.4% in 1985, and 2.2% in 1986. These increases represent investments of $220 million in 1983, $383 million in 1984, $114 million in 1985, and $307 million in 1986, bringing the total gross plant investment at December 31, 1986, to $5,155,080.

Figure No. 6-10 shows investment per access line for 1985 and 1986 on a North Carolina industrywide basis. Figure No. 6-11 shows investment per telephone for the regulated telephone companies for the years 1960, 1965, 1970, 1975, 1980, and 1981. Figure No. 6-12 shows the investment per access line as of December 31, 1985, and 1986. The information shown on Figure No. 6-12 indicates the variances in this important cost element of providing telephone service, and these variances in plant cost contribute to the variances in telephone rates between companies.

L. STATISTICAL SUMMARY DATA

Total operating revenues of the telephone companies increased in 1986 over 1985 by a total of 3.3%. Operating expenses including taxes increased 2.0% and net operating income increased 11.1% for the same period. The average annual wage per telephone employee was $30,053 in 1986, a 4.7% increase over the previous year. Total salaries and wages paid by the telephone companies were more than $499 million in 1986. The total average number of employees decreased in 1986 over 1985 to 16,309 employees. A detailed account of these and other selected items is shown in Figure No. 6-13.

FIGURE NO. 6-1

TELEPHONE COMPANIES OPERATING IN NORTH CAROLINA
NUMBER OF TOTAL TELEPHONES IN SERVICE, EXCHANGES, AND DENSITY DATA
AT YEAR END FOR 1960, 1965, 1970, 1975, 1980, & 1981

Class A & B	Number of Total Telephones in Service						Number of Exchange					Number Phones Per 100 Population		Number Phones Per Square Mile Area		% Household in Area Served Housing Phones		Average Number Employees Per Company	
	1960	1965	1970	1975	1980	1981	1965	1970	1975	1980	1981	1980	1981	1980	1981	1980	1981	1980	1981
Carolina Tel & Tel Co[1,6]	244,716	348,295	527,190	779,464	982,532	910,456	137	143	146	146	145	56	53	50	48	88	89	5,511	5,420
Central Telephone Co[2]	74,072	101,508	142,461	191,600	241,597	232,384	39	35	43	43	43	54	52	77	74	89	87	1,132	1,107
Citizens Telephone Co	3,462	5,919	8,704	12,133	15,968	16,530	3	3	4	4	4	71	73	42	44	94	95	72	65
Concord Telephone Co	34,992	44,308	56,365	72,353	93,740	97,382	9	9	9	9	9	67	68	133	138	96	96	334	336
Continental Tel of N C	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Ellerbe Telephone Co	574	743	1,084	1,535	2,003	2,088	1	1	1	1	1	48	50	8	8	85	85	8	8
General Tel Co of the Southeast[3]	43,943	65,363	97,469	124,839	162,054	167,473	5	5	5	5	5	66	84	203	199	91	91	1,720	1,734
Heins Telephone Co	8,284	11,267	15,825	22,130	30,087	31,263	3	3	3	3	3	66	65	64	67	95	96	165	162
Lexington Telephone Co	9,049	12,006	17,082	22,248	28,825	29,873	3	3	3	3	3	59	61	139	144	90	N/A	173	173
Mebane Home Telephone Co	1,903	2,571	3,665	5,502	6,877	7,069	1	1	1	1	1	40	40	46	46	75	75	22	22
Mid Carolina Telephone Co[4]	21,830	33,016	51,810	77,742	108,747	113,738	24	26	26	26	26	36	38	49	52	89	90	311	313
North State Telephone Co	37,221	48,237	64,662	86,473	113,740	114,752	3	3	3	3	3	52	74	193	200	87	92	476	476
Pineville Telephone Co[5]	—	—	—	—	2,177	2,185	—	—	—	1	1	109	109	2,177	22	98	98	14	12
Randolph Telephone Co	1,026	1,398	2,104	2,847	3,773	3,795	1	1	1	1	1	53	53	46	46	89	95	15	14
Sandhill Telephone Co	1,341	1,743	2,526	3,624	5,225	5,381	2	2	2	2	2	73	74	100	103	95	97	12	12
Southern Bell Tel & Tel Co[6]	670,413	886,620	1,253,681	1,763,783	2,246,942	2,285,163	92	93	94	95	95	83	80	186	189	87	87	11,254	11,400
Westco Telephone Co	—	8,709	16,881	24,645	34,019	34,399	13	15	15	15	15	36	36	16	17	76	76	—	—
Western Carolina Tel Co[7]	16,216	15,489	27,496	42,181	57,578	57,771	13	12	12	11	11	35	35	32	32	80	82	449	449
Totals Class A & B	1,169,042	1,587,192	2,289,005	3,233,099	4,135,884	4,111,702	349	355	368	369	368	67*	66*	93*	93*	88**	89**	21,668	21,703
Barnardsville Telephone Co	186	293	354	613	876	911	1	1	1	1	1	44	46	7	7	85	85	3	3
Continental Tel Co of Virginia	42	48	184	339	452	465	1	1	1	1	1	35	35	30	31	60	61	N/A	N/A
Saluda Mountain Tel Co	290	373	520	833	1,320	1,365	1	1	1	1	1	68	69	19	19	85	85	3	5
Service Telephone Co	367	468	600	915	1,461	1,494	1	1	1	1	1	58	60	42	43	80	80	4	4
Totals Class C & D	885	1,182	1,658	2,700	4,109	4,235	4	4	4	4	4	53*	54*	17*	17*	78**	77**	10	12
Grand Totals	1,169,927	1,588,374	2,290,663	3,235,799	4,139,993	4,115,937	353	359	372	373	372	67*	66*	93*	93*	86**	83**	21,678	21,715
United States Totals[8]	77,813,000	93,659,000	120,783,300	148,623,000	180,180,00	181,551,000													
Special Service & Private Lines	22,903	27,216	28,752	41,555	36,753	43,602													

[1]United Telephone Company of the Carolinas, Inc., merged with Carolina Telephone and Telegraph Company November 1, 1978. All figures for United for the period 1960-1978 are included in Carolina.

[2]Morris Telephone Company merged with Central Telephone Company November 4, 1965. All figures for Morris for 1965 and prior years are included in Central. Lee Telephone Company merged with Central March 6, 1973. All figures for Lee for 1973 and prior years are included in Central.

[3]General Telephone of North Carolina merged with General Telephone of the Southeast December 21, 1970. All figures for 1970 and prior years for General Telephone of North Carolina are included in General Telephone of the Southeast.

[4]Lilesville Telephone Company merged with North Carolina Telephone Company December 31, 1968. Eastern Rowan, Mid-Carolina, Mooresville, and Thermal Belt Telephone companies merged into Mid-Carolina Telephone Company December 10, 1973. All figures for merged companies are included in Mid-Carolina Telephone Company. North Carolina Telephone Company, and Old Town Telephone System, Inc., were merged into Mid-Carolina Telephone Company September 30, 1977. All figures for merged companies for 1977 and prior years are included in Mid-Carolina.

[5]Chapel Hill Telephone Company came under Commission jurisdiction on January 1, 1973, and was sold to Southern Bell Telephone and Telegraph Company, April 1, 1977. All figures for 1976 and prior years are included in Southern Bell.

[6]Pineville Telephone Company came under Commission jurisdiction January 1, 1976. (Docket No. P-120, Sub 1).

[7]Cooleemee Telephone Company merged with Western Carolina Telephone Company January 11, 1967, and was sold to Yadkin Valley Telephone Membership Corporation on May 16, 1978. All figures for Cooleemee for years prior to 1967 are included in Western Carolina.

[8]Norfolk & Carolina Tel & Tel Co. merged into Carolina Tel. & Tel. Co. December 27, 1979. All figures for Norfolk & Carolina prior to 1980 are included in Carolina Tel. & Tel. Co.

[9]Reference: Independent Telephone Statistics, U.S. Independent Telephone Association.

*Weighted Average
**Simple Average

FIGURE NO. 6 2

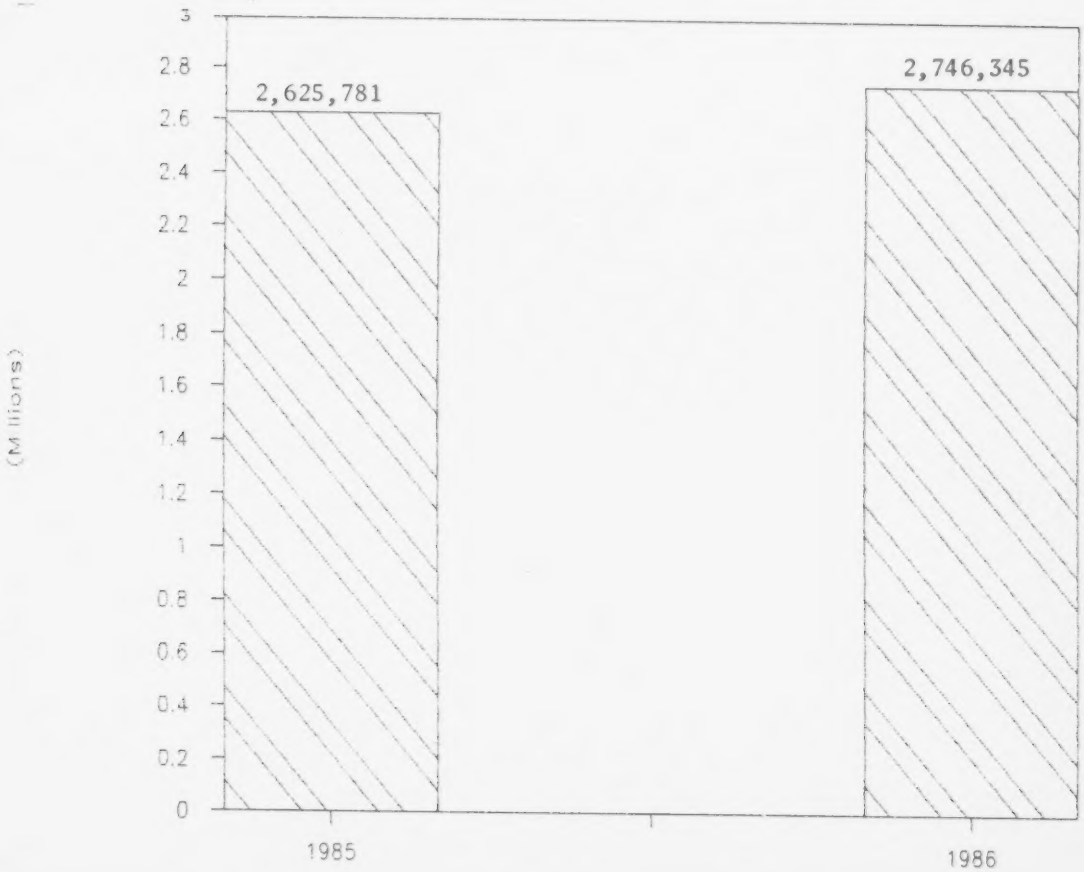
TELEPHONE COMPANIES OPERATING IN NORTH CAROLINA
NUMBER OF TOTAL ACCESS LINES, EXCHANGES, AND DENSITY DATA
AT YEAR END FOR 1985 AND 1986

	Number of Access Lines		% Change	Number of Exchanges		No. Access Lines Per 100 Population		No. Access Lines Per Square Mile Area		% Households in Area Served Having Phones		Average Number of Employees Per Company	
Class A & B	1985	1986	1986-1985	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986
ALLTEL Carolina Tel. Co.	77,020	81,496	5.8	26	26	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Carolina Telephone Co.	660,598	687,854	4.1	145	145	37	38	34	36	90	90	4,631	4,007
Central Telephone Co.	168,284	174,713	3.8	43	43	N/A	33	N/A	56	N/A	76	N/A	763
Citizens Telephone Co.	11,637	11,985	3.0	1	1	37	32	25	21	95	95	87	87
Concord Telephone Co.	65,818	67,994	3.3	9	9	52	46	93	101	97	97	312	319
Continental Tel. Co. of North Carolina	73,444	78,041	6.3	26	26	34	36	18	19	80	85	366	367
Ellerbe Telephone Co.	1,443	1,509	4.6	1	1	33	39	6	7	88	88	10	12
General Tel. Co of Southeast	106,688	113,012	5.9	5	5	71	69	142	175	92	93	2,151	2,274
Heins Telephone Co.	20,565	21,381	4.0	3	3	46	N/A	45	N/A	92	N/A	153	N/A
Lexington Telephone Co.	20,978	21,732	3.6	3	3	38	35	101	82	N/A	N/A	147	143
Mebane Home Telephone Co.	5,262	5,427	3.1	1	1	59	54	35	37	95	95	22	22
North State Telephone Co.	75,423	78,287	3.8	3	3	55	49	131	141	94	92	444	442
Pineville Telephone Co.	1,073	1,130	5.3	1	1	54	60	N/A	N/A	97	97	13	15
Randolph Telephone Co.	2,744	2,814	2.6	1	1	38	33	33	29	90	91	13	13
Sandhill Telephone Co.	3,312	3,461	4.5	2	2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Southern Bell Tel. & Tel. Co.	1,328,338	1,392,189	4.8	93	93	45	46	110	119	85	90	7,470	7,360
Totals: Class A & B	2,622,627	2,743,025	4.6	363	363	42*	47*	61*	71*	91	90	15,819	15,824
Class C & D													
Barnardsville Telephone Co.	784	835	6.5	1	1	39	28	6	8	85	85	3	3
Continental Tel. Co. of Virginia	405	433	6.9	1	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Saluda Mountain Tel. Co.	1,077	1,127	4.6	1	1	49	49	18	18	90	90	4	5
Service Telephone Co.	888	925	4.2	1	1	36	37	25	23	80	83	4	4
Totals: Class C & D	3,154	3,320	5.3	4	4	41*	44*	12*	17*	85	86	11	12
Grand Totals	2,625,781	2,746,345	4.6	367	367	42*	47*	61*	71*	88	88	15,830	15,836
United States Totals**	23,430,000	24,164,000	3.1										
North Carolina as % of United States Total	11.2%	11.4%											

* Weighted Average; All other averages are Simple Averages.
** United States totals from USTA Telephone Statistics Volume 1, 1987 Edition. Information from 626 independent Class A telephone companies.

FIGURE NO. 6-3

ACCESS LINES IN SERVICE AS OF DECEMBER 31, 1985, AND 1986
(N.C. DATA ONLY)



Access Line - A telephone company facility which allows access to and/or from the exchange network. Access line includes the following categories for service: individual line, two- and four-party service, key trunk, rotary line, PBX trunk, centrex trunk, 800 service and outwats (interstate and intrastate), L.D. trunk (toll terminal), foreign exchange, semi-public, public, mobile telephone, and service station (farmer line). The total number of access lines in service at December 31, 1985 was 2,625,781 compared to 2,746,345 access lines at December 31, 1986.

FIGURE 6-4

TELEPHONE RATES

MONTHLY FLAT RATES BY CALLING SCOPE GROUPINGS FOR ONE-PARTY BUSINESS AND RESIDENTIAL SERVICE

AS OF JANUARY 1, 1988

CALLING SCOPE AND RELATED MONTHLY FLAT RATES (a)

	1-1,000		1,001-1,400		1,401-2,000		2,001-2,800		2,801-4,000		4,001-5,600		5,601-8,000		8,001-11,200	
Class A & B	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.
Alltel Carolina Telephone Company									$33.17	$13.21	$35.01	$13.94	$35.43	$14.11	$36.16	$14.40
Carolina Telephone Company	$15.84	$14.29	$6.11	$14.83	$6.33	$15.41	$6.60	$16.08	$6.86	$16.70	$7.04	$17.14	$7.31	$17.72	$7.53	$18.29
Central Telephone Company	$18.86	$7.16	$19.33	$7.35	$19.79	$7.53	$20.24	$7.71	$20.71	$7.90	$21.16	$8.07	$21.63	$8.27	$22.08	$8.45
Citizens Telephone Company													$24.46	$9.56		
Concord Telephone Company (b)																
Continental Tel. Co. of North Carolina (c)									$40.90	$16.17			$41.69	$16.50		
Ellerbe Telephone Company					$19.79	$10.07										
General Telephone Company of Southeast																
Heins Telephone Company																
Lexington Telephone Company																
Mebane Home Telephone Company																
North State Telephone Company (d)																
Pineville Telephone Company			$9.25	$4.20												
Randolph Telephone Company																
Sandhill Telephone Company																
Southern Bell Telephone Company																
Class C & D													$26.81	$9.94		
Barnardsville Telephone Company	$14.55	$8.55														
Continental Tel. of Virginia																
Saluda Mountain Telephone Company(e)	$8.21	$5.39														
Service Telephone Company									$16.64	$6.64						

	11,201-16,000		16,001-22,400		22,401-32,000		32,001-44,800		44,801-64,000		64,001-89,600		89,601-up	
Class A & B	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.
Alltel Carolina Telephone Company					$37.06	$14.76							$37.98	$15.12 (f)
Carolina Telephone Company	$7.75	$18.88	$8.03	$19.46	$8.25	$20.04	$8.51	$20.61	$8.73	$21.19	$9.00	$21.77	$9.27	$22.44
Central Telephone Company	$22.55	$8.63	$23.00	$8.82	$23.47	$9.00	$23.92	$9.19	$24.38	$9.37	$24.84	$9.55	$25.30	$9.74
Citizens Telephone Company														
Concord Telephone Company			$18.14	$6.77	$18.73	$7.08	$19.35	$7.34	$21.60	$7.92	$23.75	$8.55		
Continental Tel. Co. of N.C.	$42.88	$16.93			$43.88	$17.35	$45.51	$17.97						
Ellerbe Telephone Company														
General Telephone Company of Southeast														
Heins Telephone Company	$15.99	$6.33												
Lexington Telephone Company					$17.81	$7.04								
Mebane Home Telephone Company	$22.33	$8.78												
North State Telephone Company														
Pineville Telephone Company									$9.18	$4.32				
Randolph Telephone Company														
Sandhill Telephone Company (g)	$8.57	$4.51	$11.56	$5.33										
Southern Bell Telephone Company	$27.50	$10.20	$28.22	$10.47	$28.84	$10.72	$29.58	$11.03	$30.42	$11.34	$31.15	$11.66	$31.91	11.92(h)
													$32.83	12.19(i)
													$33.89	12.51(j)
Class C & D														
Continental Tel. Co. of Virginia													$22.34	$12.75

(a) "Calling Scope" is the number of main station telephone and PBX trunks that can be called without paying a toll charge. The above rates are applicable to customers being served from exchanges having a total number of main stations and PBX trunks within the ranges indicated.

(b) The rate groupings for Concord Tel. Co. are Less than 25,000, 25,001-35,000, 35,001-45,000, 45,001-55,000 and 55,00nd 55,001-up.

(c) The rate groupings for Continental Tel. Co. of N.C. are 0-4,000, 4,001-8,000, 8,001-16,000, 16,001-32,000, 32,001-up.

(d) The first rate grouping for North State Tel. Co. is for the Randleman Exchange Area 0-2,300.
The second rate grouping for North State Tel. Co. is for the High Point/Thomasville Exchange Area 0-66,000.

(e) There is only one rate grouping for Saluda Mountain Tel. Co. 0-1,000.

(f) This rate is for the group 30,000-150,000.

(g) Sandhill Tel. Co. rates are grouped 0-20,000 and 20,001-up.

(h) This rate is for the group 80,000-110,000.

(i) This rate for Southern Bell is for the group 110,001-150,000.

(j) This rate for Southern Bell is for the group 150,001-up.

FIGURE NO. 6-5

NORTH CAROLINA TELEPHONE RATES VS. U.S. AVERAGE MONTHLY TELEPHONE RATES

At December 31	North Carolina Average Monthly Telephone Bills For All Customers Local Telephone Service(a)	U.S. Average Monthly Telephone Bills For All Customers Local Telephone Service (b)
1977	$17.19	$18.29
1978	$17.89	$19.22
1979	$18.01	$20.09
1980	$19.78	$21.58
1981 (c)	$22.41	$24.70
1977-1981 % Change	30.4	35.0
1982	$24.40	$26.79
1983	$25.48	$27.40
1984	$22.37 (d)	$23.22
1985	$22.25	$23.81
1986 (e)	$22.30	$22.34
1982-1986 % Change	(8.6)	(16.6)
1985-1986 % Change	0.2	(6.2)

(a) Average local service revenue per access line.
(b) This number was calculated with information obtained from Moody's Public Utility Manual (1987) and United States Telephone Association Telephone Statistics (1987)
(c) For the years 1977-1979, the total number of residential and business main lines for the 13 largest telephone companies were used to calculate the average monthly local telephone bills for local service. For 1980-1981, 12 of the largest telephone companies were used to calculate this figure.
(d) As a result of the divestiture, the lease revenue from nonregulated terminal equipment was not included in local service revenues for 1984-1986.
(e) For the years 1982-1983, the total number of residential and business access lines of the 11 largest telephone companies were used to calculate the average monthly local telephone bills for local service. For 1984-1986, 12 of the largest telephone companies were used.

FIGURE NO. 6-6

NORTH CAROLINA INTRASTATE TELEPHONE TOLL RATES IN EFFECT JANUARY 1, 1988

RATE MILEAGE	DAY	
	INITIAL 1 MINUTE	EACH ADDITIONAL MINUTE
0-10	$ .17	$ .11
11-16	.21	.14
17-22	.24	.17
23-30	.28	.19
31-40	.41	.25
41-55	.46	.28
56-70	.47	.31
71-124	.50	.34
125-196	.52	.36
197-292	.55	.38

Additional Charges

The following charges are in addition to the Basic Rate Table above when the call is placed using the following operator services:

	Charge Per Call
a. STATION	
(a) Customer Dialed Credit Card	$ .50
(b) All other	1.25
b. PERSON	
(a) All calls	$2.50

Rate Discounts and Application Periods

	MON	TUES	WED	THURS	FRI	SAT	SUN
8:00 AM to 12:00 Noon	Day Rate Period FULL RATE						
12:00 Noon to 1:00 PM	Daytime Savings Rate Period 25% Discount						
1:00 PM to 5:00 PM	Day Rate Period FULL RATE						
5:00 PM to 11:00 PM	Evening Rate Period 25% Discount						Eve 25%
11:00 PM to 8:00 AM	Night & Weekend Rate Period 50% Discount						

DISCOUNTS
Discounts apply equally to total charges for all messages with total fractional amounts rounded down to the lower cent. Discounts do not apply to add on charges for Customer Dialed Credit Card, Other Operator Station or Person Charges

*These rates are in effect for Southern Bell Tel. & Tel. Company in North Carolina.

FIGURE NO. 6-7

CHARGES FOR VARIOUS TELEPHONE INSTALLATION SERVICES
IN EFFECT JANUARY 1, 1988

	Carolina		Citizens		Southern Bell	
	Residence	Business	Residence	Business	Residence	Business
Service Order	$18.26	$22.97	$15.93	24.38	$27.50	$41.25
Premises Visit	5.92	9.23	7.58	7.58	10.25	10.25
Central Office Work	5.10	5.34	7.28	7.96	15.25	21.25
Totals (1)	$29.28	$37.54	$30.79	$39.92	$53.00	$72.75

	Heins		Ellerbe		Cont. Tel. of N.C.	
	Residence	Business	Residence	Business	Residence	Business
Service Order	$21.00	$25.00	$11.66	$13.60	$22.33	$22.33
Premises Visit	10.00	11.00	4.86	5.83	6.80	6.80
Central Office Work	7.00	8.00	2.91	2.91	21.36	21.36
Totals (1)	$38.00	$44.00	$19.43	$22.34	$50.49	$50.49

(1) These are typical charges made for the installation of one main station at a new location.

FIGURE NO. 6-8

GENERAL RATE INCREASES APPROVED FOR TELEPHONE COMPANIES
FOR THE YEAR ENDED DECEMBER 31, 1986

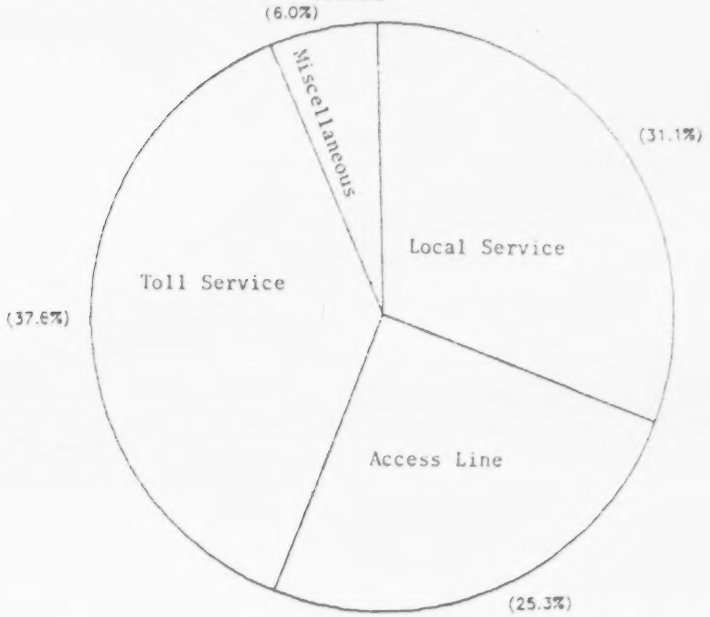
Company	Date Filed	Docket Number	Amount Requested (000s)	Amount Approved (000s)	% Approved of Amount Requested	Date Of Final Order
ALLTEL- Carolina Tel. Co.	4-30-86	P-118, Sub 39	$5,254(1)	$3,777	71.9%	10-01-86
General Tel. of the South	2-14-86	P-19, Sub 207	$6,608(2)	$3,300	49.9%	9-16-86
Total			$11,862	$7,077	59.7%	

(1) This represents the final amount requested. The initial request was $6,677.
(2) This represents the final amount requested. The initial request was $11,582.

FIGURE NO. 6-9

SOURCE AND DISPOSITION OF THE REVENUE DOLLAR
TELEPHONE COMPANIES
NORTH CAROLINA OPERATIONS ONLY
1986

SOURCE



DISPOSITION

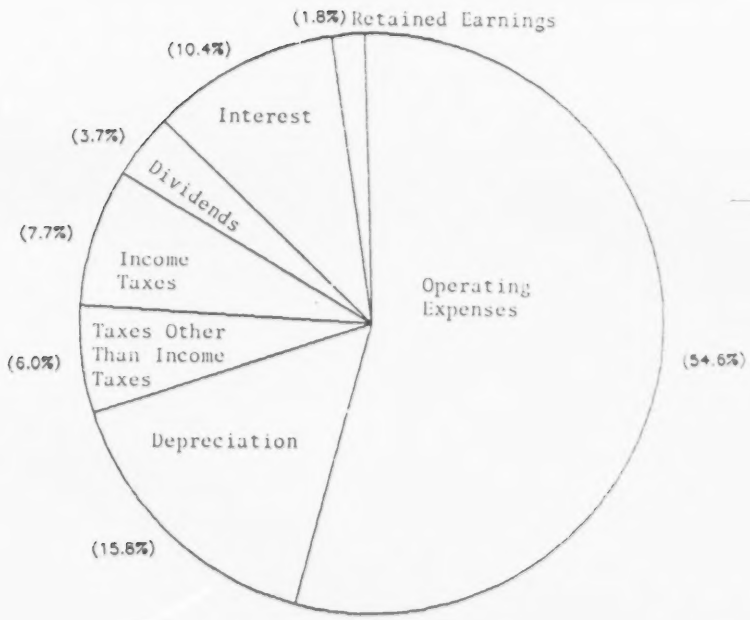


FIGURE NO. 6-10

TELEPHONE COMPANIES' PLANT INVESTMENT PER
ACCESS LINE WITH PERCENT INCREASE 1986 OVER 1985
(N.C. DATA ONLY)

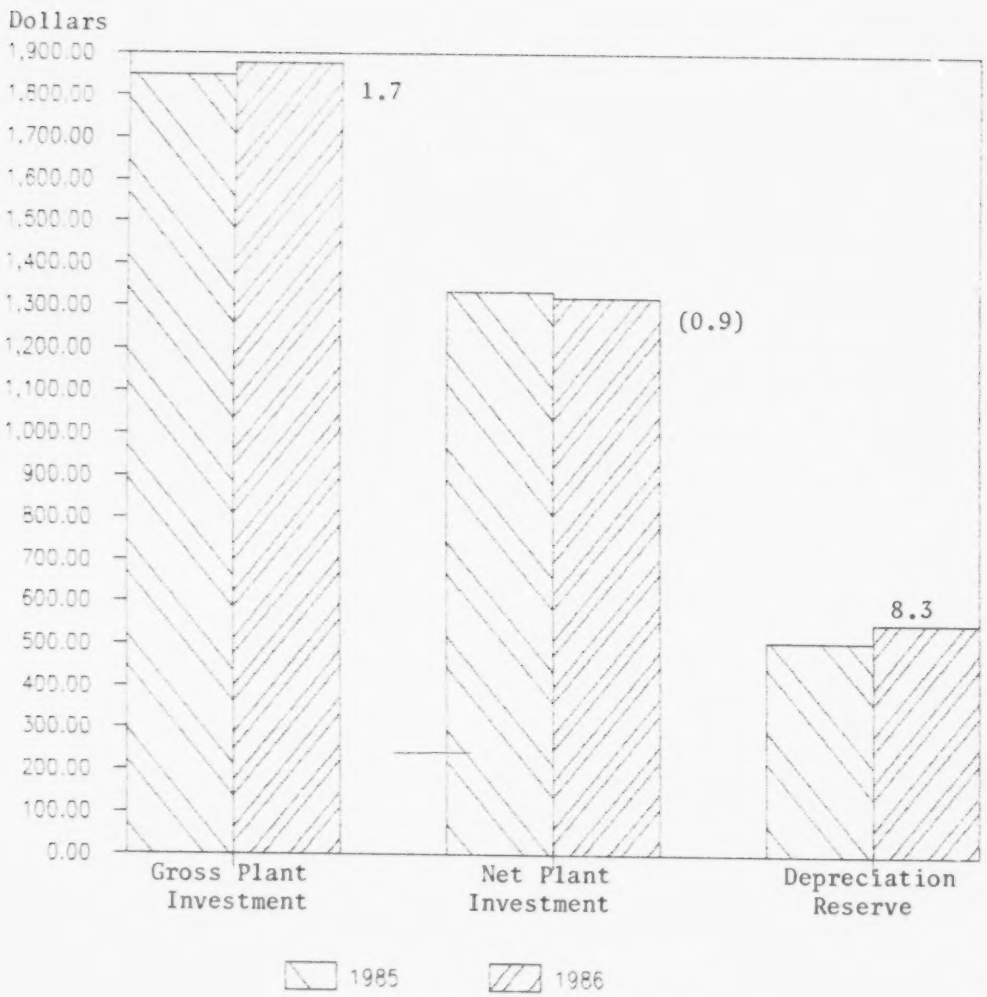


FIGURE NO. 6-11

GROSS AND NET TELEPHONE PLANT ALLOCATED TO NORTH CAROLINA OPERATIONS
For the Years Ended December 31, 1960, 1965, 1970, 1975, 1980, and 1981

Class A & B	1960 Per Phone Gross	1960 Per Phone Net	1965 Per Phone Gross	1965 Per Phone Net	1970 Per Phone Gross	1970 Per Phone Net	1975 Per Phone Gross	1975 Per Phone Net	1980 Per Phone Gross	1980 Per Phone Net	1981 Per Phone Gross	1981 Per Phone Net	1980 ($000s) Total Plant Gross	1980 ($000s) Total Plant Net	1981 ($000s) Total Plant Gross	1981 ($000s) Total Plant Net	1981 vs 1980 % Change Per Phone Gross	1981 vs 1980 % Change Per Phone Net
Carolina Tel. & Tel. Co.[4]	$ 513.52	$ 396.01	$ 556.81	$ 413.31	$ 680.30	$ 525.46	$ 820.89	$ 625.35	$ 971.34	$ 707.28	$ 1,080.72	$ 771.60	$ 924,468	$ 673,143	$ 983,949	$ 702,507	6.4	4.4
Central Telephone Co.[1]	316.53	260.39	390.58	327.98	522.00	435.31	762.60	637.96	887.27	715.66	957.67	739.27	214,335	172,879	222,548	171,793	7.8	6
Citizens Telephone Co.	329.67	266.91	571.56	504.86	776.13	635.82	892.07	655.20	1,085.12	743.15	1,164.10	809.22	17,327	11,866	19,243	13,376	11.1	12.7
Concord Telephone Co.	257.23	202.84	334.96	255.36	423.13	308.78	545.97	395.38	616.70	409.80	614.99	395.78	57,810	38,415	59,889	38,541	3.6	3
Ellerbe Telephone Co.	255.54	172.57	296.47	175.20	692.04	558.44	734.83	536.56	1,025.22	749.35	933.09	679.44	2,053	1,501	2,074	1,419	1.0	(5.5)
General Tel. Co. of the Southeast[3]	267.08	203.13	373.86	291.40	739.30	624.61	852.47	691.42	1,018.63	797.88	1,058.80	808.98	164,926	129,184	177,320	135,482	7.5	4.9
Heins Telephone Co.	288.50	234.78	493.96	423.84	481.92	372.04	732.37	571.79	787.01	545.17	813.35	549.54	23,679	16,403	25,428	17,180	7.4	4.7
Lexington Telephone Co.	296.62	219.02	364.05	255.03	533.50	406.36	629.94	465.22	722.19	507.36	735.99	504.07	20,817	14,625	21,987	15,058	5.6	3.0
Mebane Home Telephone Co.	312.66	249.08	512.68	404.24	693.07	510.94	840.11	601.54	980.33	657.50	931.09	593.95	6,742	4,522	6,403	4,084	(5.0)	(9.7)
Mid-Carolina Telephone Co.[4]	408.29	336.02	498.84	387.07	620.06	495.66	680.98	515.00	793.61	602.88	822.70	642.94	86,303	65,561	93,590	73,138	8.4	11.6
North State Telephone Co.	246.17	174.57	320.64	224.04	394.86	272.55	470.66	317.94	567.03	390.08	594.47	384.40	62,906	40,946	68,217	44,110	8.4	7.7
Pineville Telephone Co.[5]	—	—	—	—	—	—	—	—	715.93	532.33	795.29	579.00	1,558	1,159	1,738	1,265	11.6	9.1
Randolph Telephone Co.	381.87	339.66	694.71	590.75	824.89	654.17	796.77	562.67	869.53	576.66	890.31	567.88	3,281	2,176	3,379	2,155	3.0	(1.0)
Sandhill Telephone Co.	307.32	227.47	445.62	323.25	586.88	400.88	622.20	367.70	702.82	424.65	962.36	669.20	3,672	2,219	5,178	3,600	41.0	62.0
Southern Bell Tel. & Tel. Co.[6]	364.67	294.08	419.57	330.63	507.07	396.48	688.37	427.29	879.25	726.89	923.75	763.52	1,972,759	1,630,868	2,111,017	1,744,761	7.0	7.0
Westco Telephone Co.[7]	N/A	N/A	688.60	596.70	828.30	731.61	991.65	843.52	1,220.66	951.30	1,262.60	968.30	41,526	32,362	43,432	33,308	4.6	2.9
Western Carolina Tel. Co.[7]	451.24	360.17	542.67	411.53	831.06	728.96	1,047.94	926.71	1,212.69	966.66	1,301.59	1,110.84	69,824	55,658	75,194	64,174	7.7	15.3
Totals Class A & B	$ 375.91	$ 298.32	$ 442.36	$ 343.77	$ 561.60	$ 441.48	$ 722.32	$ 576.20	$ 896.34	$ 705.92	$ 953.56	$ 745.70	$ 3,673,986	$ 2,893,487	$ 3,920,586	$ 3,065,951	6.7	6.0
Class C & D																		
Barnardsville Telephone Co.	$ 236.55	$ 191.39	$ 197.81	$ 139.07	$ 266.02	$ 167.45	$ 322.13	$ 226.67	$ 1,016.36	$ 925.34	$ 1,006.27	$ 896.24	$ 890	$ 811	$ 916	$ 816	2.9	6
Continental Tel. Co. of Virginia	328.02	200.29	1,353.02	1,157.81	870.64	724.34	946.89	764.08	1,071.37	881.60	1,098.63	871.77	484	398	510	405	5.4	1.8
Saluda Mountain Tel. Co.	N/A	N/A	79.42	29.31	284.57	199.14	401.96	302.68	413.17	274.38	437.64	278.61	546	362	597	380	9.3	5.0
Service Telephone Co.	342.67	302.13	317.18	231.85	417.71	301.35	955.67	811.33	724.21	536.56	709.93	525.23	1,058	784	1,060	785	2	1
Totals Class C & D	$ 217.72	$ 183.74	$ 265.67	$ 190.43	$ 393.83	$ 287.65	$ 639.90	$ 515.73	$ 724.76	$ 573.18	$ 728.59	$ 563.60	$ 2,978	$ 2,355	$ 3,083	$ 2,386	3.6	1.3
Grand Totals	$ 375.77	$ 298.22	$ 442.23	$ 343.65	$ 561.47	$ 441.36	$ 722.25	$ 576.15	$ 896.17	$ 705.79	$ 953.33	$ 745.51	$ 3,676,964	$ 2,895,842	$ 3,923,669	$ 3,068,337	6.7	6.0

[1] United Telephone Company of the Carolinas, Inc., merged with Carolina Telephone and Telegraph Company November 1, 1978. All figures for United Telephone Company of the Carolinas, Inc., for the period 1960-1978 are included in Carolina Telephone and Telegraph Company.

[2] Morris Telephone Company merged with Central Telephone Company November 4, 1965. All figures for Morris for 1975 and prior years are included in Central. Lee Telephone Company merged with Central March 6, 1973. All figures for Lee for 1973 and prior years are included in Central.

[3] General Telephone of North Carolina merged with General Telephone of the Southeast December 21, 1970. All figures for 1970 and prior years for General Telephone of North Carolina are included in General Telephone of the Southeast.

[4] Lidesville Telephone Company merged with North Carolina Telephone Company December 31, 1968, and Denton Telephone Company merged with North Carolina Telephone Company in 1970. Eastern Rowan, Mid-Carolina, Mooresville, and Thermal Belt Telephone companies merged into Mid-Carolina Telephone Company December 10, 1973. All figures for merged companies are included in Mid-Carolina Telephone Company for years prior to 1974. Mid-Carolina Telephone Company, North Carolina Telephone Company, and Old Town Telephone System, Inc., were merged into Mid-Carolina Telephone Company September 30, 1977. All figures for merged companies for 1977 and prior years are included in Mid-Carolina Telephone Company.

[5] Pineville Telephone Company came under Commission jurisdiction January 1, 1976.

[6] Chapel Hill Telephone Company came under Commission jurisdiction January 1, 1973, and was sold to Southern Bell Telephone and Telegraph Company April 1, 1977. All figures for Chapel Hill Telephone Company for 1976 and prior years are included in Southern Bell.

[7] Cooleemee Telephone Company merged with Western Carolina Telephone Company January 11, 1967, and was sold to Yadkin Valley Telephone Membership Corporation May 16, 1978. All figures for Cooleemee for years prior to 1967 are included in Western Carolina.

[8] Norfolk & Carolina Tel. & Tel. Co. merged into Carolina Tel. & Tel. Co. December 27, 1979. All figures for Norfolk & Carolina prior to 1980 are included in Carolina Tel. & Tel. Co.

[9] Westco Telephone Co. and Western Carolina Tel. Co. were merged into Continental Telephone of North Carolina in November 1982.

N/A — Not Available

NOTE: Per phone data for all years shown is based on number of regular telephones (excluding service and private) in service at end of year.

FIGURE NO. 6-12

GROSS AND NET TELEPHONE PLANT ALLOCATED TO NORTH CAROLINA OPERATIONS*
For the Years Ended December 31, 1985 and 1986
(Dollars in Thousands)

	1985 Total Plant		1986 Total Plant		1985 Per Access Line		1986 Per Access Line		1986 vs. 1985 % Change per Access Line	
Class A & B	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
ALLTEL Carolina Tel. Co.	$134,620	$95,787	$134,675	$96,108	$1,747.86	$1,243.66	$1,652.54	$1,179.30	(5.5)	(5.2)
AT&T Communications, Inc.	175,098	118,272	206,997	143,344	N/APL.	N/APL.	N/APL.	N/APL.	N/APL.	N/APL.
Carolina Telephone Co.	1,129,995	740,989	1,138,460	727,213	1,710.56	1,121.69	1,655.09	1,057.22	(3.2)	(5.7)
Central Telephone Co.	252,142	176,754	261,654	181,869	1,498.31	1,050.33	1,497.62	1,040.96	(0.05)	(0.9)
Citizens Telephone Co.	26,666	19,297	28,666	20,549	2,291.48	1,572.31	2,391.82	1,714.56	4.4	9.0
Concord Telephone Co.	74,313	43,044	75,213	43,496	1,129.07	653.99	1,106.17	639.70	(2.0)	(2.2)
Continental Tel. Co. of North Carolina	163,403	127,826	174,540	134,232	2,224.87	1,740.46	2,236.52	1,720.02	0.5	(1.2)
Ellerbe Telephone Co.	2,652	1,614	2,661	1,869	1,837.84	1,118.50	1,763.42	1,238.57	(4.0)	10.7
General Tel. Co. of South	280,810	225,850	319,975	258,292	2,632.07	2,116.92	2,831.34	2,285.53	7.6	8.0
Heins Telephone Co.	30,875	18,165	30,875	18,164	1,501.34	883.30	1,444.04	849.54	(3.8)	(3.8)
Lexington Telephone Co.	29,491	18,485	27,665	18,891	1,405.81	881.16	1,273.01	869.27	(9.4)	(1.3)
Mebane Home Telephone Co.	7,229	3,780	7,821	3,990	1,373.81	718.36	1,441.13	735.21	4.9	2.3
North State Telephone Co.	88,210	47,633	91,720	49,914	1,169.54	631.54	1,171.59	637.58	0.2	1.0
Pineville Telephone Co.	1,895	1,274	2,157	1,366	1,766.08	1,187.33	1,908.85	1,208.85	8.1	1.8
Randolph Telephone Co.	4,116	2,509	4,776	3,884	1,500.00	914.36	1,697.23	1,380.24	13.1	51.0
Sandhill Telephone Co.	5,814	4,212	6,123	4,240	1,755.43	1,271.74	1,769.14	1,225.08	0.8	(3.7)
Southern Bell Tel. & Tel.	2,437,057	1,858,436	2,636,708	1,923,302	1,834.67	1,399.07	1,893.93	1,381.49	3.2	(1.3)
Total: Class A & B	$4,844,386	$3,502,927	$5,150,686	$3,630,723	$1,847.15	$1,335.66	$1,877.78	$1,323.62	1.7	(0.9)
Class C & D										
Barnardsville Telephone Co.	$1,146	$844	$1,280	$915	$1,461.73	$1,076.53	$1,532.93	$1,095.81	4.9	1.8
Continental Tel. Co. of Virginia	773	569	823	587	1,908.64	1,404.94	1,900.69	1,355.66	(0.4)	(3.5)
Saluda Mountain Tel. Co.	823	425	910	450	764.16	394.61	807.45	399.29	5.7	1.2
Service Telephone Co.	1,315	783	1,381	783	1,480.86	881.76	1,492.97	846.49	0.8	(4.0)
Total: Class C & D	$4,057	$2,621	$4,394	$2,735	$1,286.30	$831.01	$1,323.49	$823.80	2.9	($0.9)
Grand Totals	$4,848,443	$3,505,548	$5,155,080	$3,633,458	$1,846.40	$1,335.05	$1,877.07	$1,323.02	1.7	(0.9)

*Gross plant includes plant under construction and held for future telephone use.

FIGURE NO. 6-13
TELEPHONE COMPANIES
SUMMARY OF SELECTED DATA--INCOME STATEMENT, BALANCE SHEET, AND STATISTICAL ITEMS
For the Calendar Years 1965, 1970, 1975, 1980, 1984, 1985, 1986
(N.C. Data Only Unless Otherwise Noted) (Dollars in 000s)

	1965	1970	1975	1980	1984	1985	1986	% Change More (Less) 1986-1985
Number of Companies included in this Data	32	29	25	22	21	21	21	0.0
Income Statement:								
Revenues:								
Local Service Revenues	$103,540	$168,708	$314,135	$508,105	$665,970	$717,080	$751,785	4.8
Access Revenues	0	0	0	0	440,387	553,559	610,419	10.3
Toll Service Revenues	86,630	163,506	326,870	648,251	854,686	913,001	907,922	(0.6)
Misc. Revenues less Uncollectibles	7,613	11,046	18,412	42,303 (a)	123,804	153,009	143,922	(5.9)
Total Operating Revenues	$197,783	$343,260	$659,417	$1,198,659	$2,084,847	$2,336,649	$2,414,048	3.3
Expenses:								
Maintenance	$31,723	$58,878	$125,222	$255,556	$339,791	$373,289	$374,978	0.5
Depreciation	32,057	55,898	107,434	203,084	295,035	371,624	380,811	2.5
Traffic	21,260	35,179	53,066	62,355	74,306	106,823	89,792	(15.9)
Commercial			40,847	88,775	150,043	174,489	189,027	8.3
General office Salaries & Expenses			25,746	56,269	103,263	129,604	157,784	21.7
Other Expenses	37,299	65,239	44,109	90,941	484,097	530,291	506,898	(5.8)
Total Operating Expenses Before Taxes	$122,347	$215,194	$396,424	$756,980	$1,446,535	$1,694,120	$1,699,290	0.3
State Taxes:								
State Unemployment					$932	$516	$753	45.9
State Income	$3,377	$4,451	$8,060	$14,397	23,405	27,259	30,384	11.5
State Property	5,826	11,776	22,573	31,596	29,729	30,697	31,848	3.7
State Gross Receipts	9,152	14,968	29,208	51,882	71,511	42,579	30,358	(28.7)
Other State Taxes			269	467	29,509	803	588	(26.8)
Total State Taxes	$18,355	$31,195	$60,110	$98,342	$155,086	$101,854	$93,931	(7.8)
Federal Taxes:								
Income Taxes	$19,564	$30,529	$12,702	$22,049	$104,374	$113,601	$185,429	63.2
Investment Tax Credits	1,763	1,093	17,650	31,643	9,600	12,361	(10,349)	(183.7)
Deferred Accelerated Depreciation	(277)	(976)	30,231	38,112	58,293	48,414	65,530	35.4
Federal Unemployment					149	434	403	(7.1)
Other Taxes			10,405	20,344	(9,730)	21,203	(3,246)	(115.3)
Total Federal Taxes	$21,050	$30,646	$70,988	$112,148	$162,686	$196,013	$237,767	21.3
Total State & Federal Taxes	$39,405	$61,841	$131,098	$210,490	$317,772	$297,867	$331,698	11.4
Total Operating Expenses	$161,752	$277,035	$527,522	$967,470	$1,764,307	$1,991,987	$2,030,988	2.0
Net Operating Income	$36,031	$66,225	$131,895	$231,189	$320,540	$344,662	$383,060	11.1
Other Income or Expense:								
Interest Charged to Construction			$4,958	$4,063	$7,707	$5,961	$6,505	9.1

(a) This figure includes $922 of net rent from/for lease of operating property.

FIGURE NO. 6-13 CONTINUED
TELEPHONE COMPANIES

For the Calendar Years 1965, 1970, 1975, 1980, 1984, 1985, 1986
(N.C. Data Only Unless Otherwise Noted) (Dollars in 000s)

	1965	1970	1975	1980	1984	1985	1986	% Change More (Less) 1986-1985
Other Income			$9,260	$14,049	$29,913	$26,081	$29,538	13.3
Deductions from Income					12,083	4,405	5,821	32.1
Total Other Income or Expense			$16,193	$20,092	$25,537	$27,637	$30,222	9.4
Fixed Charges:								
Interest on Funded Debt			$55,239	$88,110	$99,158	$100,685	$96,647	(4.0)
Other Fixed Charges					12,378	13,596	10,279	(24.4)
Total Fixed Charges			$55,239	$88,110	$111,536	$114,281	$106,926	(6.4)
Extraordinary & Delayed Items (Net)					$549	$647	($568)	(187.8)
Net Income	$36,031	$66,225	$92,849	$163,171	$235,090	$258,665	$305,788	18.2
Balance Sheet:								
Assets:								
Telephone Plant in Service	$690,389	$1,270,005	$2,244,307	$3,566,961	$4,636,453	$4,744,491	$5,077,225	7.0
Less Depreciation Reserve	153,896	271,675	466,752	781,122	1,173,356	1,342,895	1,510,779	12.5
Net Telephone Plant in Service	$536,493	$998,330	$1,777,555	$2,785,839	$3,463,097	$3,401,596	$3,566,446	4.8
Telephone Plant Under Construction & Held for Public Use			63,021	110,003	98,408	103,952	99,941	(3.9)
Total Net Telephone Plant	$536,493	$998,330	$1,840,576	$2,895,842	$3,561,505	$3,505,548	$3,666,387	4.6
Investments & Funds:								
Investments in Affiliated Companies					$85,778	$92,507	$97,878	5.8
Advances to Affiliated Companies					3,065	4,024	17,322	330.5
Other Investments					11,994	16,239	21,634	33.2
Miscellaneous Physical Property					6,439	5,295	8,510	60.7
Total Investments & Funds					$107,276	$118,065	$145,344	23.1
Current Assets:								
Cash					($5,070)	$12,929	$4,711	(63.6)
Special Cash Deposits					510	716	3,059	327.2
Working Funds					683	513	440	(14.2)
Temporary Cash Investments					48,620	71,553	25,430	(64.5)
Notes Receivable					369	19,205	18,126	(5.6)
Due from Customers and Agents					201,104	216,632	253,682	17.1
Accounts Receivable from Affiliated Companies					3,614	6,802	23,917	251.6
Other Accounts Receivable					147,543	151,277	172,458	14.0
Interest & Dividends Receivable					405	740	533	(28.0)
Materials & Supplies					44,619	42,310	45,429	7.4
Other Current Assets					21,807	22,196	21,511	(3.1)
Total Current Assets					$464,204	$544,873	$569,296	4.5
Prepaid Accounts & Deferred Charges					$34,271	$30,982	$65,120	110.2
Total Assets					$4,167,256	$4,199,468	$4,446,147	5.9

FIGURE NO. 6-13 CONTINUED
TELEPHONE COMPANIES

For the Calendar Years 1965, 1970, 1975, 1980, 1984, 1985, 1986
(N.C. Data Only Unless Otherwise Noted) (Dollars in 000s)

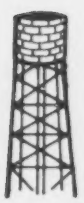
	1965	1970	1975	1980	1984	1985	1986	% Change More (Less) 1986-1985
Stockholder's Equity & Liabilities:								
Stockholder's Equity:								
Capital Stock					$894,334	$947,847	$918,531	(3.1)
Premium on Capital Stock					68,214	109,712	147,205	34.2
Other Capital					53,559	53,200	53,829	1.2
Unappropriated Retained Earnings					506,567	576,586	667,286	15.7
Retained Earnings Reserved					0	586	330	(43.7)
Total Stockholder's Equity					$1,522,674	$1,687,931	$1,787,181	5.9
Capital Stock Expense					0	160	160	0.0
Total Stockholder's Equity					$1,522,674	$1,687,771	$1,787,021	5.9
Long-Term Debt:								
Funded Debt (Actually Outstanding)					$1,083,074	$1,095,090	$1,070,235	(2.3)
Other Long-Term Debt					100,835	114,241	134,658	17.9
Total Long-Term Debt					$1,183,909	$1,209,331	$1,204,893	(0.4)
Current & Accrued Liabilities:								
Accounts Payable to Affiliated Companies					$28,819	$47,952	$38,843	(19.0)
Other Accounts Payable					239,316	212,036	321,497	51.6
Customer Deposits					18,584	19,636	19,273	(1.8)
Advance Billing & Payments					30,830	35,335	36,809	4.2
Other Current Liabilities					93,409	119,011	73,613	(38.1)
Taxes Accrued					59,072	61,672	65,442	6.1
Unmatured Interests, Dividends, & Rents Accrued					35,469	35,781	32,751	(8.5)
Total Current & Accrued Liabilities					$505,499	$531,423	$588,228	10.7
Deferred Credits & Operating Reserves					$955,174	$770,943	$866,005	12.3
Total Stockholder's Equity & Liabilities					$4,167,256	$4,199,468	$4,446,147	5.9
Statistics (N.C. Only):								
Telephones in Service--Year End								
Residential Phones	1,154,426	1,677,502	2,406,878	3,104,066	1,958,805	2,015,374	2,127,816	5.6
Business Phones	255,532	341,009	450,880	578,045	538,399	563,854	613,735	8.8
Coin Operated, PBX Units, & Special Services Phones	178,416	272,202	378,041	457,612	51,901	60,450	65,376	8.1
Grand Total of all Telephones in Service	1,588,374	2,290,713	3,235,799	4,139,723	2,549,105	2,639,678	2,806,927	6.3
Average Number of Calls per Telephone: (Class A & B Only)								
Local	2,131	2,101	1,978	1,710	2,669 (a)	2,736 (a)	2,889 (b)	5.6
Toll	63	85	113	198	326	394	511	29.7

(a) Information was available for nine of the telephone companies operating in North Carolina.
(b) Information was available for eleven of the telephone companies operating in North Carolina.

FIGURE NO. 6-13 CONTINUED
TELEPHONE COMPANIES

For the Calendar Years 1965, 1970, 1975, 1980, 1984, 1985, 1986
(N.C. Data Only Unless Otherwise Noted) (Dollars in 000s)

	1965	1970	1975	1980	1984	1985	1986	% Change More (Less) 1986-1985
Total Average Number of Employees	12,324	17,791	19,461	21,678	17,170	16,523	16,309	(1.3)
Total Wages & Benefits Paid Employees (000s)	$68,423	$121,531	$221,163	$404,832	$458,157	$474,053	$490,138	3.4
Average Annual Wages & Benefits Paid Employees (Actual Dollars)	$5,552	$6,831	$11,364	$18,675	$26,683	$28,691	$30,053	4.7



VII. Water And Sewer Companies

FIGURE NO. 7-1

Distribution of Customers
Served by
REGULATED WATER & SEWER UTILITIES

1987

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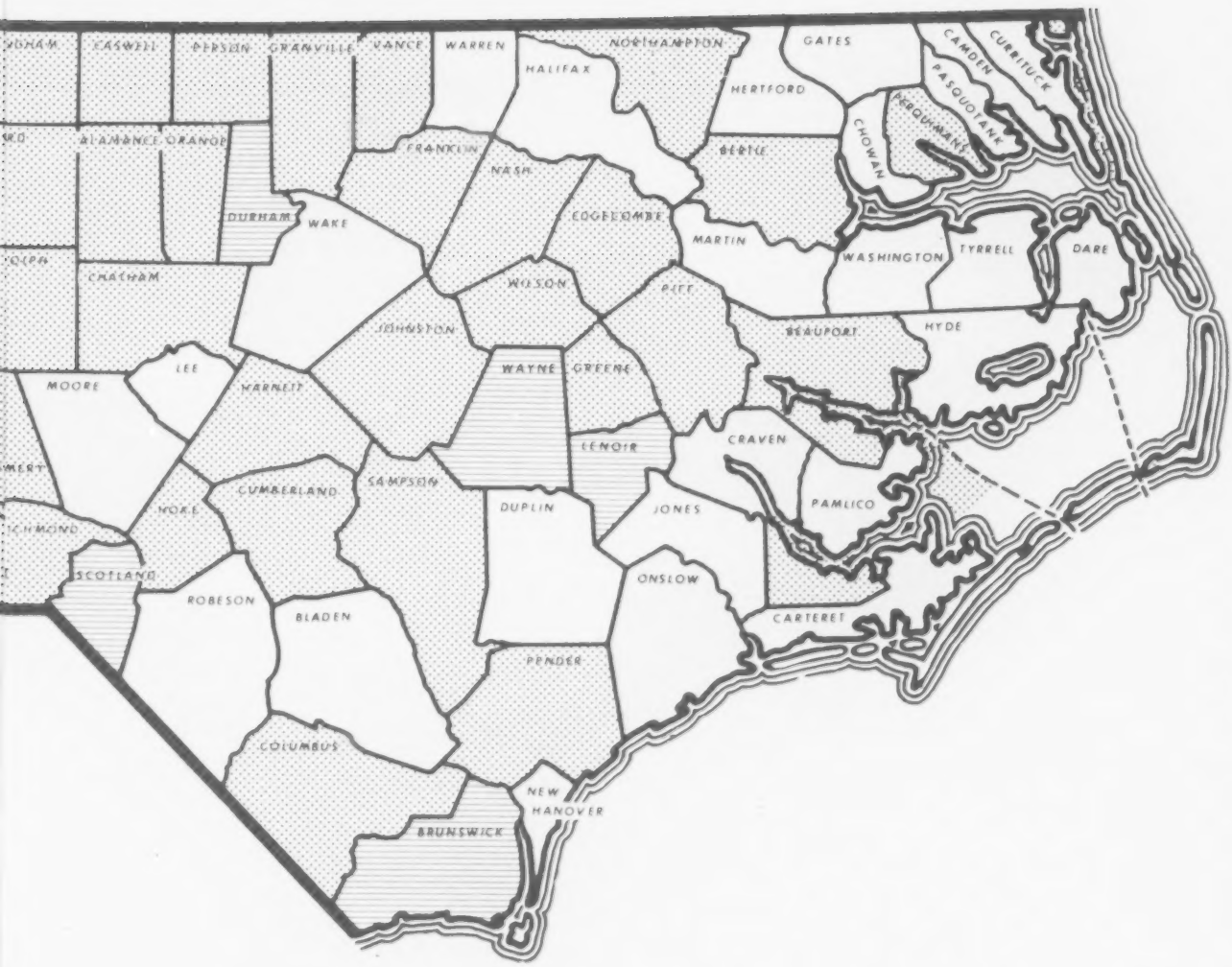

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FIGURE NO. 7-2

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES
AS OF AUGUST 1, 1987

County	Number of Customers	Number of Systems	County	Number of Customers	Number Systems
Alamance	330	5	Halifax	0	0
Alexander	725	18	Harnett	854	12
Alleghany	155	1	Haywood	168	4
Anson	62	1	Henderson	489	10
Ashe	264	6	Hertford	0	0
Avery	2,359	12	Hoke	119	3
			Hyde	0	0
Beaufort	152	3			
Bertie	27	2	Iredell	1,213	32
Bladen	0	0			
Brunswick	1,457	9	Jackson	1,452	7
Buncombe	1,541	16	Johnston	327	11
Burke	210	9	Jones	0	0
Cabarrus	2,797	49	Lee	1,055	5
Caldwell	370	8	Lenoir	1,120	5
Camden	0	0	Lincoln	184	3
Carteret	2,157	17			
Caswell	30	2	Macon	235	3
Catawba	3,604	94	Madison	348	1
Chatham	715	9	Martin	0	0
Cherokee	310	6	McDowell	0	0
Chowan	0	0	Mecklenburg	5,026	72
Clay	0	0	Mitchell	0	0
Cleveland	368	8	Montgomery	235	3
Columbus	59	2	Moore	6,430	14
Craven	5,937	10			
Cumberland	19,939	52	Nash	44	1
Currituck	28	2	New Hanover	9,600	90
			Northampton	0	0
Dare	397	3			
Davidson	75	1	Onslow	6,977	45
Davie	247	4	Orange	438	8
Duplin	0	0			
Durham	1,136	16	Pamlico	0	0
			Pasquotank	0	0
Edgecombe	121	2	Pender	329	5
			Perquimans	813	1
Forsyth	3,029	2	Person	39	1
Franklin	854	19	Pitt	708	6
			Polk	0	0
Gaston	5,140	114			
Gates	0	0	Randolph	655	17
Graham	12	1	Richmond	3	1
Granville	49	3	Robeson	0	0
Greene	39	1	Rockingham	287	9
Guilford	190	6	Rowan	967	27

FIGURE NO. 7-2 CONTINUED

County	Number of Customers	Number of Systems
Rutherford	4,829	10
Sampson	52	3
Scotland	1,067	11
Stanly	169	7
Stokes	105	2
Surry	965	30
Swain	11	1
Transylvania	5,242	9
Tyrrell	0	0
Union	849	10
Vance	58	2
Wake	9,128	194
Warren	0	0
Washington	0	0
Watauga	1,155	11
Wayne	1,003	7
Wilkes	0	0
Wilson	422	9
Yadkin	22	1
Yancey	77	2
Total	120,154	1,218

A. GENERAL COMMENTS

As of December 31, 1986, there were 1,218 regulated water and sewer systems in North Carolina owned by 380 companies. These are comprised of 1,046 water and 172 sewer systems. This shows an increase of about 15% in total systems from the previous year. The General Statutes of North Carolina provide in part that anyone owning or operating facilities for furnishing water and sewer service to the public for compensation is a public utility, except when such person's sole operation consists of selling water to fewer than ten residential customers. Specifically exempt from regulation under the statutes are municipalities, sanitary districts, and anyone who furnishes water or sewer service to himself, his tenants, or his employees. The statutes also exempt certain consumer-owned corporations.

Figure Nos. 7-1 and 7-2 show a map and, in chart form, the locations of the water and sewer systems by counties with the number of systems and customers in each county.

In 1986 approximately 87% of the regulated companies received less than $50,000 in annual revenues, and only seven companies received more than $500,000. In 1985 88% of the regulated companies received less than $50,000 in annual revenues, and only six companies received more than $500,000. Approximately 68% of the water and sewer companies served fewer than 100 customers in 1986 compared to 70% of the companies in 1985.

One of the major problems encountered in regulating small water and sewer utilities is the lack of keeping adequate records. Many small utility owners quite possibly subsidize operations for several years because their records, which are required for filing and justifying rate increases, are inadequate. As a result, of the 380 water and sewer companies franchised to operate in 1986, current statistical and operating data is only included for 281 companies. This data is found in Figure No. 7-3. For the other 99 companies, the most recent statistical data received by the Commission is presented in Figure No. 7-4. This noncurrent statistical data for the years 1976 through 1985 is included to illustrate the total scope of the regulated water and sewer industry in North Carolina.

The Commission has adopted a simplified (2-page) annual report which should encourage small utilities to maintain minimum records of their revenues and expenses. This should enable them to keep accurate records and provide them with the required information needed for general rate cases.

In 1986 approximately 70% of the customers of regulated water companies in North Carolina received metered service, and more than 50% were furnished water treated in some manner, usually by chlorination. In some systems water is treated with phosphates to control excess iron, and a few systems have filters for iron removal. Approximately 7% of the customers are served by water systems having fire protection capability. A few of the companies purchase water from municipalities for resale to their customers, but most of the companies supply water by means of deep wells.

B. COMMISSION ACTIVITIES

During 1986, applications for general rate increases were filed by 24 water and/or sewer companies. Twenty-five water and sewer companies filed for general rate increases in 1985. The Commission granted $326,975 of the $509,783 requested by the water and sewer companies in 1986.

Applications for new franchises totaled 96 in 1986, up 33 cases from 1985. There were 53 requests for transfers of franchises, up from 23 requests in 1985, and 36 miscellaneous proceedings which involved petitions to show cause, requests for emergency operators, restrictions on outside water usage, public utility status determinations, and formal complaints.

C. REGULATED VS. NONREGULATED MONTHLY CHARGES

Comparative monthly charges for residential water service between selected nonregulated municipal systems and regulated water systems in North Carolina are shown in Figure No. 7-8. This also shows the same comparable component for residential sewer service in North Carolina for the same period.

The Outside City Limits charges for municipal systems vary from 2 to 2 1/2 times the Inside City Limits rates.

D. STATISTICAL SUMMARY

The number of regulated utility companies furnishing water and sewer service in North Carolina was 380, a decrease of 6 companies from 1985. These companies operated 1,046 water systems and 172 sewer systems within the State. They served 120,154 water and sewer customers and received $19,393,290 in annual revenues. See Figure No. 7-7 for a graphic presentation.

Of the 380 water and sewer companies regulated as of December 31, 1986, seven water companies and seven water/sewer companies had records in sufficient detail to provide some comparative data to be developed for this report. The individual financial and statistical data for these 14 companies for the year 1986 is shown in Figure Nos. 7-5 and 7-6.

Caution should be used in applying the results of the data shown for these 14 companies to any specific situtation. The data is taken directly from the annual reports without any adjustments. Experience has shown that the Commission usually makes substantial adjustments to the data filed by water and water/sewer companies for ratemaking purposes. The adjustments are most frequently made to the plant accounts and the related depreciation expenses claimed against the plant investment. Most of the adjustments are downward to reflect the elimination of plant contributed or plant investment recovered by the developers or owners through the sales price of the lots in subdivisions. Often there are downward adjustments in both the plant account and in operation expenses due to the system's having unreasonably large unused customer capacity during the early stages of development. In view of these limitations, the average water usage and revenues per customer have the most valuable use for comparative or planning purposes.

FIGURE NO. 7-3

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
Data As Of December 31, 1986

Company	Docket Number	Annual Revenues Water	Annual Revenues Sewer	Number of Customers Water	Number of Customers Sewer	Number of Systems Water	Number of Systems Sewer
Acqua, Inc.	W-270	$8,442		100		1	
All Star Mobile Home Living, Inc.	W-628	$920	$0	11	0	1	1
Alpha Utilities, Inc.	W-862	$7,410		70		3	
Alternative Waste Treatment	W-839		$10,422		1		1
Anderson Creek Homes Water System	W-724	$19,655		185		1	
Anderson Creek Water Company	W-336	$2,188		68		1	
Anderson, Wayne	W-566	$2,016		30		1	
Associated Realty & Investment, Inc.	W-384	$6,156		79		1	
Associated Utilities, Inc.	W-303	$74,811	$79,866	616	503	3	3
B&B, Inc.	W-762	$6,681		70		1	
Baker Water Services, Inc.	W-756	$360		3		1	
Bald Head Island Utilities, Inc.	W-728	$21,885	$93,854	144	188	1	1
Bald Mountain Development Corporation	W-410	$30,563		340		1	
Barrier Grain Company	W-698	$2,859		17		1	
Bayview Water Works	W-565	$7,890		85		1	
Beechwood Cove Utilities	W-753	$5,970		53		2	
Belmont Water Company	W-393	$4,026		29		1	
Belvedere Utility Company	W-809	$10,936	$101,598	150	79	1	1
Bermuda Run Country Club	W-707		$40,499		207		1
Bess, Creag Inc.	W-291	$46,124		276		6	
Billingsley, W. D. & J. T.	W-632	$6,155		35		1	
Birchwood Farms	W-656	$7,927		123		1	
Blue Creek Utilities	W-857		$23,472		17		3
Bolick, Albert L.	W-430	$1,831		18		1	
Bradshaw Water Company	W-103	$4,758		50		1	
Brandywine Bay Utility Company	W-693	$26,303	$11,385	157	102	1	1
Brightwater Water Dept., Inc.	W-151	$10,025		110		1	
Brindle's Well Drilling Company	W-228	$5,867		77		2	
Brookside Water Company	W-330	$3,250		35		1	
Brookwood Water Corporation	W-177	$454,459		5,446		16	
Browning Enterprises	W-569	$10,088		61		1	
C & I Utilities, Inc.	W-535	$22,521		274	50	3	2
C.H.& H. Corporation	W-685	$5,126		72		1	
Cape Fear Utilities, Inc.	W-247	$446,054	$175,780	2,641	850	44	14
Cardinal Estates Water System	W-701	$824		7		1	
Carolina Blythe Utility Company	W-503	$93,927	$117,953	582	567	1	1
Carolina Pines Golf & Country Club	W-870	$9,345	$0	81	3	2	1
Carolina Water Service Inc. of North Carolina	W-354	$2,421,246	$958,193	9,841	3,560	65	25
Chimney Rock Water Works	W-102	$11,965		82		1	
Clearwater Utilities, Inc.	W-846	$34,895		300		9	
Cleveland Water System, Inc.	W-301	$15,774		160		1	
Cliffdale Water Company	W-203	$21,042		198		1	
Cline, H.C. Building & Supply Company, Inc.	W-418	$6,752		47		1	
Coastal Plains Utilities Company	W-215	$110,553		631		3	

FIGURE No. 7-3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
Data As of December 31, 1986

Company	Docket Number	Annual Revenues Water	Annual Revenues Sewer	Number of Customers Water	Number of Customers Sewer	Number of Systems Water	Number of Systems Sewer
Community Utilities, Inc.	W-845	$119,673		703		1	
Community Water Works, Inc.	W-316	$14,511		77		2	
Compass Utilities	W-885	$0	$0	0	0	2	2
Conner Village	W-343	$4,905		46		1	
Consolidated Utilities, Inc.	W-332	$8,694		59		1	
Coral Park Community Well	W-717	$1,296		12		1	
Corriher Water Service, Inc.	W-233	$115,473		1,099		22	
Country Hills Water Company, Inc.	W-609	$4,033		34		1	
Cowan Valley Water System	W-829	$14,190		34		1	
Crater Water System	W-185	$3,598		49		1	
Crescent Utilities, Inc.	W-850		$13,226		92		1
Crestview Water System, Inc.	W-325	$3,765		57		1	
Cumberland Water Company	W-169	$107,163	$21,994	694	198	4	1
Davis, Roy & Virginia	W-631	$4,329		39		1	
Duan Waterworks, Inc.	W-346	$0		52		1	
Duchess Forest Water Supply	W-324	$4,894		34		1	
Duke Power Company	W-094	$2,211,128		4,100		1	
Duncan Water Company	W-483	$1,213		14		1	
Eagle Heights Utility Company	W-826	$2,026		10		1	
Economy Finance Company of Concord	W-528	$1,107		3		1	
Edwards Water System	W-134	$4,177		44		1	
Elk River Development Corporation	W-803	$37,698	$19,543	101	69	1	1
Eno Industrial Sewage Facility	W-763		$11,301		4		1
Evans, Leroy J.	W-594	$900		15		1	
Fairview Water System	W-902	$7,200		120		1	
Fairbrook Utilities	W-674	$1,080		18		1	
Falls, Ralph L. Water Systems	W-268	$31,479		374		6	
Farm Water Works	W-844	$886		4		1	
Farmer, Arthur V.		$1,710		19		1	
Faw, Frances S.	W-887	$6,680		130		1	
Fearrington Utilities	W-661		$24,749		350		1
Flanders, Filters, Inc.	W-542	$1,936		15		1	
Flat Mountain Estates Water System, Inc.	W-726	$10,893		35		1	
Fleetwood Falls, Inc.	W-368	$10,474		95		1	
Foreman Water Service	W-877	$2,524		36		1	
Forest Acres Water Company	W-626	$2,669		22		1	
Grandfather Golf & Country Club Utility, Inc.	W-755	$26,420	$26,043	174	164	2	2
Gaither Building Company	W-621	$3,723		67		1	
Gallagher Trails, Inc.	W-603	$3,700		32		1	
Gaston Builders, Inc.	W-737	$4,258		37		1	
Genoa Water Systems, Inc.	W-321	$113,355		811		4	
Glynnwood Mobile Home Park	W-545	$7,088		80		1	

FIGURE NO. 7-3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION- REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
Data As of December 31, 1986

Company	Docket Number	Annual Revenues Water	Annual Revenues Sewer	Number of Customers Water	Number of Customers Sewer	Number of Systems Water	Number of Systems Sewer
Goose Creek Utility Company	W-369	$51,531	$51,867	284	196	2	1
Goss Utilities	W-457	$47,699		476		7	
Grandview Water Company, Inc.	W-183	$66,420		103		1	
Green Springs Valley Estates	W-897	$0	$0	320	320	1	1
Greenfield Heights Development Company, Inc.	W-205	$5,617		22		1	
Greshams Lake Utility Company, Inc.	W-633	$62,490	$24,475	16	16	1	1
Grove Supply Company	W-587	$1,377		40		2	
H & A Water Services, Inc.	W-10	$323		6		1	
H & H Development Company	W-315	$4,507	$11,761	39	45	1	1
H & H Water Works	W-382	$2,186		18		1	
H & M Water Company, Inc.	W-147	$10,157		88		1	
Hare, John E.	W-417	$3,030		16		1	
Harnett Lakes Water Company, Inc.	W-210	$9,845		82		1	
Hart Water Systems, Inc.	W-739	$21,928		168		2	
Harward's Realty & Insurance Company	W-710	$3,865		32		1	
Hasty Water Utilities, Inc.	W-736	$736,695		2,875		63	
Havelock Development Corporation	W-223	$24,753		175		1	
Hawkins, Paul T. Company, Inc.	W-550	$19,973		315		2	
Hazelwood Water Company, Inc.	W-749	$9,905		63		1	
Heater Utilities, Inc.	W-274	$910,888		3,145		51	
Hefner Builders, Inc.	W-480	$1,352		9		1	
Hendrix Barnhill Company, Inc.	W-658	$4,043		38		1	
Hendrix Development Company, Inc.	W-616	$2,570		45		1	
Heritage Water Company, Inc.	W-679	$17,910		102		1	
Hickory Hills Service Company, Inc.	W-460	$21,422		232		1	
Hilltop Subdivision Water System	W-863	$1,878		13		1	
Holbrook, Mrs. M.L.	W-433	$2,423		26		1	
Hollandale Water Company	W-419	$3,467		29		1	
Holly Hills Water	W-855	$1,879		12		1	
Holt, Edgar L. Subdivision Water System	W-606	$1,728		17		1	
Home Realty Company & Insurance Agency, Inc.	W-521	$2,275		42		1	
Homestead Community Water	W-452	$5,530		37		1	
Honey Hill Development	W-420	$2,096		25		1	
Honeycutt Water System	W-472	$5,760		59		3	
Hoopers Valley Water Company, Inc.	W-794	$3,949		50		1	
Horse Creek Farms Utilities Corporation	W-888		$0		0		1
Hudson Cole Development Corporation	W-875	$1,072	$4,301	29	19	1	1
Huey, Wade	W-614	$900		15		1	
Hydraulics, Ltd.	W-218	$206,887		1,654		38	
Ideal Mobile Home Park	W-748	$4,066		24		1	
Independence Water Supply	W-858	$5,594		21		1	
Inlet Bay Utilities	W-828	$1,162	$1,552	29	33	1	3
Ira D. Lee & Associates	W-876	$0	$0	0	0	1	1

FIGURE NO. 7-3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION -REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
Data As of December 31, 1986

Company	Docket Number	Annual Revenues Water	Annual Revenues Sewer	Number of Customers Water	Number of Customers Sewer	Number of Systems Water	Number of Systems Sewer
J & H Water Company, Inc.	W-686	$5,215		24		2	
Jackson, Harold L.	W-494	$300		15		1	
Jackson Utility Company	W-448	$127,574	$71,400	726	496	1	1
Jamestown Water Corporation	W-745	$12,584		100		1	
Jewell, Gordon A.	W-651	$4,346		35		1	
Joyceton Water Works, Inc.	W-004	$110,703		154		1	
Juniper Water Company	W-868	$5,460		45		1	
Killian Water System	W-298	$2,319		26		1	
Kimberly Court Water System	W-350	$2,146		25		1	
Kings Grant Water Company	W-250	$159,333		1,804		2	
Kirk Glen Water System	W-838	$757		21		1	
L & I Construction, Inc.	W-854	$3,210		21		1	
LaGrange Waterworks Corporation	W-200	$427,847		4,474		15	
Lake, The Summit Corporation	W-058	$11,507		58		1	
Lamm, William M.	W-708	$1,800		15		1	
Lavan, Cora M.	W-647	$1,956		30		1	
Lewis Water Company, Inc.	W-288	$30,739		204		11	
Lewis Water Systems	W-288	$13,064		139		1	
Linville Ridge	W-766	$22,586		162		1	
Long Pine Water Company	W 451	$19,240		58		1	
MAM Water & Sewer Corporation	W 772		$26,588		267		1
M & S Corporation	W-625	$13,553		89		1	
McCullers Pines Subdivision	W-727	$1,618		13		1	
McRee, William E.	W-562	$2,880		24		1	
Mackie, Martha H.	W-785	$3,240	$2,315	18	19	1	1
Marmarose, the Company	W-865	$7,393		48		1	
Marper, Inc	W-770	$3,329		28		1	
Matlock, T.L., Jr.	W-624	$2,868		45		2	
Matthews, B. E. Construction Co.	W-641	$2,542		17		1	
Maxwell Water Company	W-339	$4,112		34		1	
Melmount Water Company	W-711	$2,577		20		1	
Mercer Environmental Corporation	W-198	$290,714	$144,300	1,574	574	11	4
Miller, R.B., Jr.	W-493	$2,101		48		3	
Millner Water Systems	W-695	$2,329		30		2	
Milstead Community Water System	W-718	$1,173		16		1	
Mineral Springs Mountain Water Supply	W-576	$6,085		30		1	
Montclair Water Co., Inc.	W-173	$413,980	$173,850	4,231	3,184	1	1
Morlan Park Water Company, Inc.	W-042	$2,337		30		1	
Moss Hill Water Works	W-459	$8,237		52		1	
Mountains Utility Company	W-808	$93,767	$55,596	505	271	1	1
Mulkey Homesites Water System	W-818	$7,410	$0	64	0	1	1
Nags Head Village Service, Co., Inc.	W-882		$19,851		6		1

FIGURE No. 7-3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION- REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
Data As Of December 31, 1986

Company	Docket Number	Annual Revenues Water	Annual Revenues Sewer	Number of Customers Water	Number of Customers Sewer	Number of Systems Water	Number of Systems Sewer
Nero Utilities, Inc.	W-881	$0	$0	0	0	1	1
Niagara Water Company	W-059	$1,615		24		1	
North Crest Water System, Inc.	W-496	$5,244		35		1	
North State Utilities, Inc.	W-848	$0	$0	0	0	0	9
North Topsail Water & Sewer, Inc.	W-754		$167,647		867		1
Northeast Craven Utility Company	W-696	$191,738	$132,383	2,273	2,236	1	1
Northwestern Woods Well System	W-860	$2,376		22		1	
Northwood Developers Of Orange County	W-690	$9,329		83		1	
Norwood Beach Water Systems	W-498	$6,282		59		2	
Oak Ridge Water Systems, Inc.	W-841	$2,843		11			
Oak Wood Water Company	W-655	$11,972		81		1	
Oakmont Water Company	W-533	$6,793		42		1	
Ochler Water Company	W-440	$9,642		89		4	
Ogden Village Utilities	W-836	$0	$0	0	0	0	1
Old Farm Water System, Inc.	W-568	$6,980		70		1	
Outer Banks Beach Club, Inc.	W-387		$16,608		225		1
Overhills Water Company	W-175	$43,678		292		1	
Oyster Bay Utilities, Inc.	W-831	$0	$0	0	0	0	1
P & H Water Company, Inc.	W-257	$16,156		- 126		1	
Parrish & Weathers	W-880		$4,845		105		1
Pate, J.V., Inc.	W-067	$64,109		522		1	
Paysour Water Works, Inc.	W-278	$8,361		86		1	
Pelican Trace Utilities, Inc.	W-833	$0	$0	0	0	0	1
Pen Properties	W-586	$6,205		60		1	
Peppertree Atlantic Beach Associates	W-834		$1,781	1			1
Pied Piper Resort, Inc.	W-893	$0	$0	30	0	1	0
Piedmont Construction & Water Company, Inc.	W-262	$455,284		2,181		45	
Pinehurst Water Co. & Pinehurst Sanitary Co.	W-006	$367,592	$662,353	2,442	1,927	1	1
Pleasant Garden Water Dept.	W-702	$3,362		24		1	
Poplar Terrace Mobile Home Park	W-775	$810		4	4	1	1
Powder Horn Mountain Utilities	W-478	$3,548		146		1	
Prior Construction Company, Inc.	W-567	$11,803		77		1	
Quality Water Supplies, Inc.	W-225	$221,984		1,457		14	
Ratchford, Brady W., Jr.	W-444	$5,581		48		1	
Ratchford, Lucius I.	W-421	$11,540		112		2	
Reedwood Water Company	W-187	$11,842		136		1	
Ridgecrest Baptist Conference Center	W-071	$9,124		278		1	
River Hills, Inc.	W-461		$11,134	57	58	1	1
River Run Utilities	W-853	$0	$0	0	0	0	1
Riverbend Water System, Inc.	W-398	$11,524		84		1	
Riverview North Utilities	W-758	$7,341		69		1	
Riverview Water System	W-723	$3,923		33		1	

FIGURE No. 7-3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
Data As Of December 31, 1986

Company	Docket Number	Annual Revenues Water	Annual Revenues Sewer	Number of Customers Water	Number of Customers Sewer	Number of Systems Water	Number of Systems Sewer
Robertson Brothers Utilities	W-837	$0	$0	0	0	1	1
Rock Barn Water System	W-747	$19,173		76		1	
Rockingham Realty Co., Inc.	W-704	$3,869		36		1	
Rolling Springs Water Company, Inc.	W-313	$43,697	$4,891	409	64	4	1
Routh and Hennis, Inc.	W-497	$11,601		150		1	
Ruff Water Company, Inc.	W-435	$58,922		536		10	
Rush, Hurley B.	W 558	$2,340		31		1	
S & H Corporation of Wake County	W-806	$1,652	$0	10	0	1	1
SKME Water System	W-733	$5,323		52		1	
Sanders Water Company	W-532	$2,919		46		1	
Scientific Water & Sewerage Corporation	W-176	$134,861	$217,943	923	945	5	6
Scotland Water Company	W-426	$33,061		215		5	
Scottsdale Water & Sewer, Inc.	W-883	$28,410	$6,076	250	235	4	1
Sehorn Water Supply, Inc.	W-773	$3,428		75		1	
Sentry Utilites, Inc.	W-811		$9,601		87		2
Setzer Brothers, Inc.	W-360	$17,047		131		3	
Shade Tree Acres Water System	W 455	$811		13		1	
Sherwood Forest Utility, Inc.	W-706	$44,396	$4,185	194	22	1	2
Sherwood Forest Water System	W 646	$1,192		12		1	
Sierra Villa Water Co., Inc.	W-867	$957		10		1	
Silver Maples Mobile Estates	W-776	$2,434	$3,451	7	29	1	1
Skyland Drive Water System	W 642	$1,785		21		1	
Skyview Water System, Inc.	W-293	$7,488		68		1	
Smawley, Elon	W 333	$3,493		30			
Spring Hill Water Corporation	W-247	$1,975		19		1	
Spring Water Company	W-337	$33,842		243		3	
Springdale Water Company	W-406	$12,153	$4,755	69	36	1	1
Springs Industries, Inc.	W 650	$1,362	$1,072	35	32	1	1
Square, M. D., Inc.	W 338	$1,276		23		1	
Stony Brook Estates Water System	W-295	$5,455		32		1	
Sunset Park Utilities, Inc.	W 178	$33,479	$0	394	201	1	1
Superior Water Company		$7,422		66			
Surry Water Company, Inc.	W-314	$192,323		965		27	
TEI Utility Company, Inc.	W 759	$14,010	$60,480	130	321	3	2
T.P.G. Utilities, Inc.	W 675	$8,278		49		1	
Tarlton Real Estate Corporation	W 657	$6,278		82		4	
Tarts Investment Corporation	W-741	$1,873		21		1	
Transylvania Utility Company	W 378	$181,075	$107,765	3,096	1,811	1	1
Treasure Cove Water Company	W-445	$18,562		182		1	
Trexler Water System	W 585	$6,415		103		1	
Tri South Utilities	W 849	$0		11		1	
Triangle Construction Company	W-842	$2,322		18		1	
Tulbert Stephen E.		$1,453		11		1	
Turner, T.H. Farms, Inc.	W-687	$14,242		99		4	

FIGURE NO. 7 3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION -REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
Data As Of December 31, 1986

Company	Docket Number	Annual Revenues Water	Annual Revenues Sewer	Number of Customers Water	Number of Customers Sewer	Number of Systems Water	Number of Systems Sewer
Hastead Water Company	W-687	$21,226		27		1	
Uwited Systems Company, Inc.	W 886		$0		0		1
Vance Rural Water System, Inc.	W 890	$6,657		30		2	
Vander Water Company, Inc.	W 458	$23,077		219		3	
Veterans Drive Community Water System, Inc.	W 118	$1,805		30		1	
Viewmont Acres Water System	W-856	$0		17		1	
Viking Utilities, Inc.	W-740	$0	$25,251	0	165	1	1
W & K Enterprises	W 611	$3,255		23		2	
W.F.K.S. Utilities, Inc.	W-659		$42,192		7		1
Water, Inc.	W 216	$15,933		127		1	
West Wilson Water Company	W-781	$7,682		49		1	
Western Utilities Corporation	W 229	$0		0		2	
Westgate Utilities Company, Inc.	W-239	$756		8		1	
White, Billy	W-600	$300		12		1	
White Oak Community Water System	W-520	$3,250		50		1	
White Oak Utilities, Inc.	W-861	$4,558	$6,059	53	50	1	1
Willow Creek Builders, Inc.	W 387		$20,276		75		1
Wilson Water Service	W-554	$3,193		49		3	
Wilson Water Systems	W-698	$15,605		121		1	
Windsor Lake Water Company	W-523	$5,918		60		1	
Woodhaven Water System	W 805	$4,008		38		1	
Yadkin Water Corporation	W 585	$3,963		22		1	
Yost, J.M.	W-514	$1,596		11		1	
Zemosa Acres Water System	W 744	$41,318		213		2	
Total		$13,577,475	$4,039,461	79,866	21,705	767	133

N/A -Not Available

FIGURE NO. 7-4

NONCURRENT DATA OF WATER AND SEWER COMPANIES REGULATED
BY THE NORTH CAROLINA UTILITIES COMMISSION
Data Range 1976-1985

Company	County	Docket Number	Annual Revenues Water	Annual Revenues Sewer	Number of Customers Water	Number of Customers Sewer	Number of Systems Water	Number of Systems Sewer
A&B Water Company	Catawba	W-819	$0		21		1	
A-1 Utilities	Wake	W-871	$0		0		2	
Bellview Water System, Inc.	Cleveland	W-684	$299		6		1	
Bethlehem Utilities, Inc.	Alexander	W-259	$37,456		284		4	
Bio, Inc.	Transylvania	W-486	$11,009		80		3	
Brick Landing Utility Corporation	Brunswick	W-817		$0		0		1
Brown, E.S.	Buncombe	W-732	$0		0		1	
Buffaloe Water System	Wake	W-635	$2,716		27		1	
CAC Utilities, Inc.	Wake	W-812		$0		0		6
Carolina Trace Corporation	Lee	W-436	$60,751	$61,015	498	441	1	1
Castor Court Water Company, Inc.	Watauga	W-423	$2,432		16		1	
Clear Meadow Water, Inc.	Mecklenberg	W-715	$3,825		40		2	
Clear Flow Utilities, Inc.	Randolph	W-738	$3,869	$7,141	58		2	
Colony Park Utilities Company	Durham	W-209		$567		22		1
Colony Water of Morehead City, Inc.	Carteret	W-654	$2,450		31		1	
Combs, Robert F.	Iredell	W-328	$2,268		39		2	
Cook, L.V. Water Supply	Stanly	W-540	$5,965		104		2	
Crestview Water Company	Lenoir	W-195	$38,987		357		1	
Cross-State Development Company	Ashe	W-408	$7,516		138		1	
Dillard Grading Company	Jackson	W-340	$6,332		85		2	
Dockery's Water System	Gaston	W-721	$12,684		133		2	
East Rutherford Water System, Inc.	Rutherford	W-527	$1,830		30		1	
Environmental Pollution Control, Inc.	Dare	W-774		$43,157		166		1
FDR, Inc.	Henderson	W-544	$70		11		1	
Fairway Acres Water System	Caldwell	W-260	$5,102		53		1	
Fairways Utilities, Inc.	New Hanover	W-787	$0	$0	0	0	1	1
Falling Creek Water Company	Lenoir	W-590	$29,262		351		1	
Fisher Utilities	Wake	W-365	$139,081		1,055		12	
Forrest, P. Tony	Alexander	W-318	$1,319		18		1	
Fox Fire Water System	Gaston	W-725	$500		4		1	
Foxhall Village Utilities	Wake	W-777	$10,123	$15,222	252	252	1	1
Gensinger, John W.	Wake	W-549	$2,253		27		1	
Glendale Water, Inc.	Wake	W-691	$162,248		725		21	
Gower, Jerry Construction Company	Wake	W-465	$1,740		18		1	
Graham, R.E.	Wake	W-184	$3,554		46		1	
Harmony Heights Water Company	Hoke	W-896	$11,198		92		1	
Hensley Enterprises, Inc.	Gaston	W-089	$256,702		1,693		32	
High Hampton, Inc.	Wake	W-574	$8,148		69		1	
Holiday Island Property Owners Assoc.	Onslow	W-386	$66,991		813		1	

FIGURE NO. 7-4 CONTINUED

NONCURRENT DATA OF WATER AND SEWER COMPANIES REGULATED
BY THE NORTH CAROLINA UTILITIES COMMISSION
Data Range 1976-1985

Company	County	Docket Number	Annual Revenues Water	Annual Revenues Sewer	Number of Customers Water	Number of Customers Sewer	Number of Systems Water	Number of Systems Sewer
Huffman, George W.	Henderson	W-424	$1,546		36		1	
Huffman, H.C. Water Systems, Inc.	Catawba	W-095	$59,414		508		11	
Hunter Water Company	Mecklenberg	W-534	$8,310		125		2	
Jackson Hamlet Water Supply	Moore	W-575	$6,435		113		1	
Jones, Mrs. J.W.	Gaston	W-422	$500		11		1	
Jones, Vernon	Lenoir	W-620	$2,283		28		1	
Lad, Inc.	Cabarrus	W-722	$9,429	$12,425	107	107	2	2
Lake Terrace Water System,Inc.	Cleveland	W-683	$0		33		1	
Laurel Woods Water System	Bessemer City	W-694	$6,661		64		1	
Lincoln Water Works, Inc.	Lincoln	W-335	$19,122		108		1	
Looper, Clark Russell	Caldwell	W-501	$1,941		17		1	
Mauney, William K., Jr.	Mecklenberg	W-560	$1,580		22		1	
McMahan, Harold D.	Randolph	W-791	$0		61		1	
McRae Construction Company, Inc.	Anson	W-466	$963		62		1	
Mid-South Water Systems, Inc.	Catawba	W-720	$236,105	$7,355	2,540	143	83	13
Mobile Hill Estates Water System	Wake	W-515	$3,864		43		1	
Moss, James H.	Jackson	W-760	$4,467		41		1	
Mount Vernon Park Water System	Lenoir	W-072	$9,503		152		1	
Mountains Lifestyles Water Company	Avery	W-752	$31,858	$0	171	31	1	1
Mullis, Giles E.	Cabarrus	W-547	$5,664		44		4	
Old South Lane Water System, Inc.	Gaston	W-517	$660		11		1	
Parris, Steddy Durbin Jr.	Union	W-563	$2,345	$1,269	59	59	1	1
Patterson, James D.	Gaston	W-276	$3,057		28		1	
Piedmont Carolina Construction, Inc.	Franklin	W-768	$1,125		19		1	
Piedmont Estates Water System	Randolph	W-581	$8,294		93		1	
Pines Utilities, Inc.	Moore	W-822		$76,080		317		1
Precision Utility Limited	Harnett	W-832		$0		0		1
Proctor Water Works	Gaston	W-663	$1,605		17		1	
Quail Hollow Water System	Cleveland	W-427	$1,552		27		1	
ROE Water Utility Company	Buncombe	W-820	$0		20		1	
Randolph Mills, Inc.	Randolph	W-536	$4,437	$1,087	95	25	1	1
Riviera Utilities of North Carolina, Inc.	Franklin	W-665	$82,485		3,010		1	
Rock Creek Environmental Company	Onslow	W-830		$0		0		1
Rollinswood Water System, Inc.	Cleveland	W-428	$8,188		64		1	
Rose Hill Associates Water Company	Pitt	W-677	$0	$0	259	259	1	1
Ross, Sanford E.	Haywood	W-618	$905		28		1	
S & G Development Corporation	Onslow	W-800	$17,280		120		1	
Sandhill Acres Investment Company, Inc.	Montgomery	W-479	$5,972		43		1	

FIGURE NO. 7-4 CONTINUED

NONCURRENT DATA OF WATER AND SEWER COMPANIES REGULATED
BY THE NORTH CAROLINA UTILITIES COMMISSION
Data Range 1976-1985

Company	County	Docket Number	Annual Revenues Water	Annual Revenues Sewer	Number of Customers Water	Number of Customers Sewer	Number of Systems Water	Number of Systems Sewer
Shamrock Water Corporation	Catawba	W-432	$4,995		63		1	
Shiloh Water Company	Catawba	W-619	$1,140		20		1	
Simco, Inc.	Union	W-356	$1,732		65		2	
Smith, R. Wiley	Buncombe	W-792	$1,080		20		1	
South Mountain Water Works	Burke	W-866	$3,012		35		1	
South Rowan Investment Corporation	Rowan	W-807	$1,726		19		1	
Spring Valley Water System	Catawba	W-425	$1,134		18		1	
Stewart, Paul A.	Gaston	W-414	$4,137		124		2	
Stony Oaks Water System	Gaston	W-782	$570		8		1	
Suburban Heights Water System	Wilson	W-394	$1,574		21		1	
Texas Bend Water System	Cabarrus	W-821	$707		10		1	
Tobacco Branch Village, Inc.	Graham	W-504	$305		12		1	
Touch & Flow Water Systems	Wake	W-201	$46,294	$3,618	261	67	6	1
Utility Systems, Ltd.	Wake	W-463		$9,370		74		1
Valleydale Water Company	Gaston	W-272	$5,101		46		1	
Waller, Louis C., M.D.	Buncombe	S-001		$3,920		49		1
Waverly Mills, Inc.	Scotland	W-734	$0	$0	125	119	1	1
Weber Development Company	Avery	W-589	$480		8		1	
Wilson, Mitchell B.	Rockingham	W-602	$3,508		59		2	
Windham Mobile Home Park	Orange	W-804	$1,524		10		1	
Woodlake Utilities, Inc.	Moore	W-789	$4,440	$1,658	110	49	1	1
Woods Water Works, Inc.	Surry	W-735	$2,633		26		4	
TOTAL			$1,532,470	$243,884	16,403	2,180	279	39

N/A - Not Available

FIGURE NO. 7-5

SELECTED FINANCIAL AND STATISTICAL DATA OF COMPANIES COMPRISING THE LARGEST WATER UTILITY OPERATIONS
REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION
Data for the Year Ended December 31, 1996

	Brookwood Water Corporation	Duke Power Company	Hasty Water Company	La Grange Waterworks Corporation	Piedmont Construction & Water Company	Quality Water Supplies	Surry Water Company, Inc.	Total
Revenues and Expenses:								
Total Revenue	$454,460	$2,211,128	$736,695	$427,847	$455,204	$221,984	$192,323	$4,699,641
Operation & Maintenance Expenses	$360,866	$1,034,906	$593,946	$338,391	$349,661	$170,514	$177,903	$3,026,187
Depreciation & Amortization Expenses	$81,811	$259,668	$39,600	$63,713	$60,675	$29,023	$1,456	$535,946
Federal & State Income Taxes	$23,688	$0	$15,901	$1,032	$10,878	$6,957	$2,511	$60,967
Other Taxes	$37,683	$177,019	$41,050	$27,148	$30,602	$14,508	$0	$328,010
Total Operating Expenses	$504,048	$1,471,593	$690,497	$430,284	$451,816	$221,002	$181,870	$3,951,110
Net Operating Income	($49,588)	$739,535	$46,198	($2,437)	$3,388	$982	$10,453	$748,531
Operating Ratio	110.9	66.6	93.7	100.6	99.3	99.6	94.6	84.1
Other Income & Expense (Includes Interest)	$68,891	$0	$0	$40,838	$40,209	$5,771	$0	$155,709
Net Income	$19,303	$739,535	$46,198	$38,401	$43,597	$6,753	$10,453	$904,240
Balance Sheet Items:								
Gross Plant in Service	$2,810,714	$30,112,804	$1,288,859	$2,030,465	$820,388	$832,467	$597,894	$38,493,591
Less Depreciation Reserve	$761,586	$5,689,626	$161,443	$448,031	$417,103	$289,912	$14,606	$7,782,307
Net Plant in Service	$2,049,128	$24,423,178	$1,127,416	$1,582,434	$403,285	$542,555	$583,288	$30,711,284
*Contributions in Aid of Construction	$2,046,924	$0	$792,140	$1,228,032	$0	$519,184	$621,936	$5,208,216
*Plant Acquisition Adjustment	$113,881	$0	$0	$79,406	$0	$0	$0	$193,287
Statistics:								
Total Customers	5,446	4,100	2,875	4,474	2,181	1,457	965	21,498
Total Water Consumption (000s gallons)	409,363	1,466,299	295,057	356,614	101,548	131,953	95,209	2,856,043
Operation & Maintenance Expense Per Total Customer	$66.26	$252.42	$206.59	$75.64	$160.32	$117.03	$184.36	$140.77
Total Expense per Total Customer	$92.55	$358.93	$240.17	$96.17	$207.16	$151.68	$188.47	$183.79
Gross Plant Investment per Total Customer	$516.11	$7,344.59	$448.30	$453.84	$376.15	$571.36	$619.58	$1,790.57
Depreciation Expense as % of Gross Plant	2.9	0.9	3.1	3.1	7.4	3.5	0.2	1.4
Residential Revenue (Metered)	$425,027	$667,993	$736,695	$410,514	$375,525	$216,185	$192,323	$3,024,262
Residential Customers (Metered)	5,138	3,431	3,145	3,539	1,651	1,447	928	19,279
Residential Water Used (Metered)(000s gallons)	409,363	208,041	208,612	356,614	101,548	129,104	95,209	1,508,491
Average Gallons Used Per Residential Customer	79,674	60,636	91,769	100,767	61,507	89,222	102,596	82,395
Average Revenue per Residential Customer	$82.72	$194.69	$234.24	$116.00	$227.45	$149.40	$207.24	$156.87

*These amounts are included in the "Gross Plant in Service" account. They are shown separately because they are generally excluded from the plant investment account for general ratemaking purposes.
N/A- Not Available

FIGURE NO. 7-6

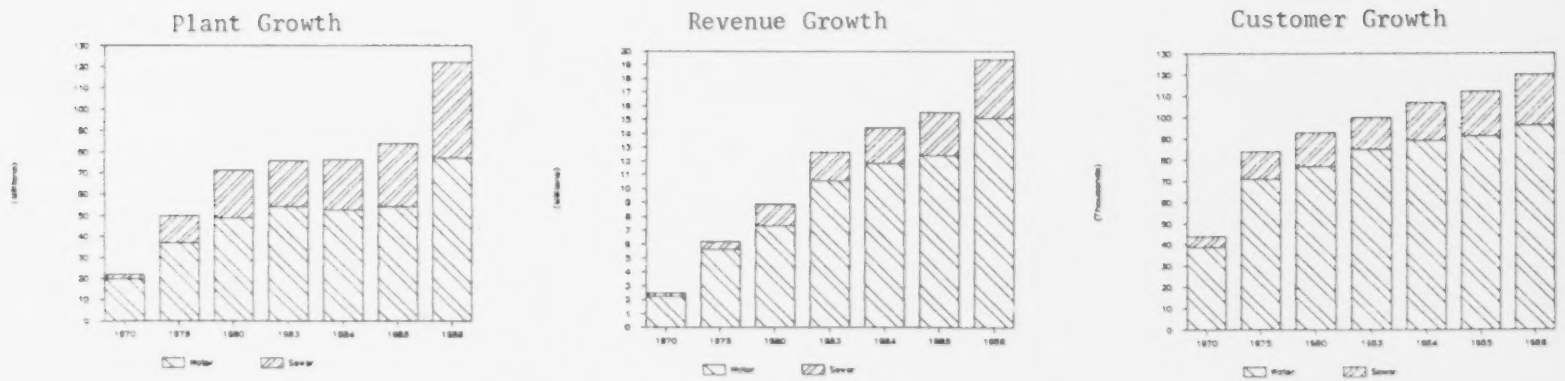
SELECTED FINANCIAL AND STATISTICAL DATA OF COMPANIES COMPRISING THE LARGEST WATER/SEWER UTILITY OPERATIONS
REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION
Data for the Year Ended December 31, 1986

	Cape Fear Utilities Inc.	Carolina Blythe Utility Company	Carolina Water Service of N.C., Inc.	Mercer Environmental Corporation	Montclair Water Company	Pinehurst Water Company (1)	Transylvania Utility Company	Total
Revenues and Expenses:								
Total Revenue	$421,014	$211,880	$3,379,439	$435,014	$787,829	$1,029,945	$288,940	$6,754,761
Operation & Maintenance Expenses	$348,835	$147,551	$2,122,727	$361,956	$827,201	$837,655	$318,798	$4,964,803
Depreciation & Amortization	$93,355	$6,831	$224,133	$29,229	$28,160	$116,516	$0	$558,224
Federal & State Income Taxes	$81,934	$0	$142,018	$0	$0	$0	$0	$223,952
Other Taxes	$52,488	$8,675	$220,265	$30,552	$58,178	$54,281	$25,743	$450,202
Total Operating Expenses	$576,662	$163,057	$2,709,163	$421,767	$973,539	$1,008,452	$344,541	$6,197,181
Net Operating Income	$45,152	$48,823	$670,276	$13,247	($165,710)	$21,493	($55,701)	$557,580
Operating Ratio	92.7	77.0	80.2	97.0	123.6	97.9	119.3	91.7
Other Income & Expense (Includes Interest)	($7,497)	($109,624)	($415,065)	($3,649)	$5,802	$0	$0	($509,033)
Net Income	$37,655	($59,801)	$255,211	$9,598	($179,908)	$21,493	($55,701)	$28,547
Balance Sheet Items:								
Gross Plant in Service	$7,587,821	$441,734	$25,740,737	$2,097,983	$3,526,479	$3,464,138	N/A	$38,858,892
Less Depreciation Reserve	$719,552	$49,708	$1,526,327	$471,788	$1,066,439	$1,015,613	N/A	$4,849,427
Net Plant in Service	$2,868,269	$392,026	$24,214,410	$1,626,195	$2,460,040	$2,448,525	N/A	$34,009,465
*Contributions in Aid of Construction	$2,258,406	$325,492	$15,424,820	$1,449,755	$3,620,226	$2,614,187	$232,292	$25,975,258
*Plant Acquisition Adjustment	$0	$183,734	$0	$321,704	$0	$0	$0	$505,438
Statistics:								
Total Customers	3,491	1,149	13,401	2,148	7,415	4,369	4,907	36,880
Total Water Consumption (000s gallons)	263,317	N/A	N/A	116,887	287,808	348,711	N/A	1,016,723
Operation & Maintenance Expense Per Total Customer	$99.94	$128.42	$158.40	$168.52	$111.56	$191.73	$64.97	$134.62
Total Expense per Total Customer	$165.19	$141.91	$202.16	$196.35	$131.29	$230.82	$70.21	$168.04
Gross Plant Investment per Total Customer	$1,027.73	$384.45	$1,920.81	$976.71	$475.59	$792.89	N/A	$1,053.66
Depreciation Expense as % of Gross Plant	2.6%	1.5%	0.9%	1.4%	2.5%	3.4%	N/A	1.4%
Residential Revenue (Metered)	$399,873	$65,451	N/A	$277,695	$336,081	$364,414	0	$1,443,514
Residential Customers (Metered)	2,562	562	N/A	1,581	N/A	2,443	0	7,188
Residential Water Used (Metered)(000s gallons)	247,664	N/A	N/A	116,887	N/A	348,711	0	713,262
Average Gallons Used Per Residential Customer	95,919	N/A	N/A	73,932	N/A	142,739	0	107,972
Average Revenue per Residential Customer	$154.87	$112.46	N/A	$175.65	N/A	$149.17	0	$157.73

*These amounts are included in the "Gross Plant in Service" account. They are shown separately because they are generally excluded from the plant investment account for general ratemaking purposes.
N/A Not Available
(1) Includes Pinehurst Sanitary Company, Inc.

FIGURE NO. 7-7

PLANT, REVENUE, AND CUSTOMER GROWTH OF ALL REGULATED
WATER & SEWER COMPANIES IN NORTH CAROLINA
FOR THE YEARS 1970, 1975, 1980, 1983, 1984, 1985, AND 1986



		1970	1975	1980	1983	1984	1985	1986
Water:	Plant	$20,086,100	$37,000,000	$48,855,000	$54,257,660	$52,500,253	$54,351,108	$77,183,496
	Revenues	$ 2,223,700	$ 5,600,000	$ 7,324,000	$10,568,833	$11,805,041	$12,414,477	$15,109,945
	Customers	$ 38,700	$ 71,000	$ 76,581	$ 84,992	$ 89,186	$ 91,232	$ 96,269
Sewer:	Plant	$ 2,161,800	$13,000,000	$22,514,000	$21,172,699	$23,804,492	$29,495,306	$45,289,998
	Revenues	$ 244,900	$ 600,000	$ 1,543,000	$ 2,081,889	$ 2,595,220	$ 3,093,387	$ 4,283,345
	Customers	$ 5,300	$ 13,000	$ 16,187	$ 14,564	$ 17,354	$ 20,810	$ 23,885
Number of Companies		158	349	398	375	378	386	380

FIGURE NO. 7-8

COMPARATIVE MONTHLY CHARGES FOR RESIDENTIAL WATER SERVICE IN NORTH CAROLINA
AT AUGUST 31, 1987

Publicly Owned Systems	Nonregulated Systems Inside City Limits 3,000 gal.	6,000 gal.	9,000 gal.
Asheville	$8.48	$15.64	$22.80
Charlotte	3.80	6.20	8.60
Greensboro	2.80	5.60	8.40
Raleigh	5.57	9.73	13.89
Wilmington	4.44	8.88	13.32
Winston-Salem	2.93	5.86	8.78
Average-(Simple)	$4.67	$8.65	$12.63

Privately Owned Systems Regulated by Commission (Class B or Larger)	Regulated Systems Water Charges Inside Service Area 3,000 gal.	6,000 gal.	9,000 gal.
Brookwood Water Corporation	$5.00	$6.65	$8.30
Duke Power Company	12.52	19.59	26.66
Hensley Enterprises, Inc.	10.05	14.55	19.05
LaGrange Waterworks Corporation	4.50	7.35	10.20
Piedmont Construction & Water Company, Inc.	13.00	19.60	27.46
Quality Water Supplies, Inc.	6.20	9.80	13.40
Surry Water Company, Inc.	13.81	19.87	25.93
Average-(Simple)	$9.30	$13.92	$18.71

COMPARATIVE MONTHLY CHARGES FOR RESIDENTIAL SEWER SERVICE IN NORTH CAROLINA
AT AUGUST 31, 1987

Publicly Owned Systems	Nonregulated Systems Inside City Limits 3,000 gal.	6,000 gal.	9,000 gal.
Asheville	$3.00	$6.00	$9.00
Charlotte	4.80	8.20	11.60
Greensboro	2.52	5.04	7.56
Raleigh	3.80	6.76	9.72
Wilmington	6.32	12.64	18.96
Winston-Salem	2.69	5.37	8.06
Average-(Simple)	$3.85	$7.33	$10.82

Privately Owned Systems Regulated by Commission (Class B or Larger)	Regulated Systems Inside Service Area 3,000 gal.	6,000 gal.	9,000 gal.
Associated Utilities, Inc.	$13.67	$13.67	$13.67
Cape Fear Utilities, Inc.	20.00	20.00	20.00
Caroline Blythe Utility Company	12.30	18.60	24.90
Carolina Water Service of North Carolina	18.00	18.00	18.00
Mercer Environmental Corporation	20.59	20.59	20.59
Montclair Water Company, Inc.	10.25	14.45	18.65
Transylvania Utility Company	7.50	12.00	16.50
Average-(Simple)	$14.62	$16.76	$18.90

VIII. Securities, Audits, And Annual Reports

A. SECURITIES ISSUES--COMMENTS

The Commission approved 17 applications for the issuance of electric, gas, and telephone securities and borrowings during 1987 compared with 19 applications in 1986. The 1986 and 1987 applications covered $1,852,672,000 and $1,064,109,600 respectively.

The securities applications are processed by personnel in the Finance, Statistics, Budget, and Planning Division of the Commission Staff, and reports and recommendations are made to the Commissioners. These reports evaluate and consider many factors such as: (1) the present and projected earnings position of the company, (2) the effect of the projected issue on the company's capital structure, (3) the expense of the issue, (4) the estimated net yield, (5) the probable market price per unit, (6) the purpose of the issue, (7) the use to which the proceeds are to be applied, (8) whether the issue is compatible with the overall public interest, and (9) the merits of the proposed method of marketing the securities; i.e., by competitive bidding, negotiations, or private placement.

Ordinarily, the new capital raised through the sale of securities is primarily for the replacement of short-term borrowings, which have been used largely for new utility plant construction, modernization, and improvement of existing plant to meet increased demands for additional and improved service. However, in 1986 and 1987, a large portion of the long term debt financings were used to redeem outstanding issues of debt with high interest rates which were prevalent during the 1970's and early 80's. Figure No. 8-1 shows detailed data for each securities issue approved by the Commissioners in 1987.

B. AUDITS AND EXAMINATIONS--COMMENTS

Personnel of the Commission's Public Staff Accounting Division perform extensive audits of the operations of public utilities. The results of each of these audits are a part of the Public Staff's position on matters before the Commission, and they are filed with the Chief Clerk as an official document if they are part of a general rate case proceeding. A brief summary of audits and special studies for 1986 follows:

Utility & Type Audit	1986 No. of Exams
Electric	
General Rate Case	1
Fuel Clause Cases	3
Gas	
General Rate Case & Earnings Investigation	2
Increased Cost of Purchased Gas, Exploration Refunds	20
Telephone	
General Rate Case	2
Toll Revenue Increase	0
Water and Sewer	24
Motor Freight and Motor Passenger Operating Ratios and Tariffs	80
Total	132

C. ANNUAL REPORTS--COMMENTS

For the years 1985 and 1986, there were 1,576 and 1,625 utilities, respectively, required to file annual reports of their operations with the Commission. This number includes 80 nonregulated municipal utility systems. The regulated utilities and the municipal utility systems' annual reports required to be filed with the Commission are prepared on forms furnished to them by the Commission's Public Staff Accounting Division. All completed and returned annual reports of the larger utilities are reviewed in detail by the Accounting personnel of the Public Staff for compliance with the Uniform System of Accounts.

FIGURE NO. 8-1
SECURITIES ISSUES--NEW CAPITAL (Primarily) FOR THE CALENDAR YEAR 1987

Name of Company	Docket Number	Type of Security or Transaction	Type Sale*	Face Amount	Activity Dates Order	Activity Dates Closing	Price per Share or Stated Interest Rate	Face Amount Sold	Underwriter's Commission	Yield at Offering	Net Cost to Company	Net Proceeds to Company Before Expenses	Comments
ELECTRIC:													
Carolina Power & Light Company	E-2 Sub 530	Pollution Control Revenue Bonds Due 3-1-2017 Rating Aaa P-1	N	$45,000,000	3-11-87	3-26-87	Variable Daily Rate-Convertible To a Fixed Rate	$43,500,000	$217,500			$42,951,500	Bond Proceeds To Be Used To Pay For Pollution Control And Solid Waste Disposal Facilities At The Shearon Harris Nuclear Power Plant In Wake County, N.C.
	E-2 Sub 517	First Mortgage Bonds Rating A2	P	$100,000,000	4-24-86	12-1-87	9.174%	$100,000,000	$547,500 Placement Fee	9.174%	9.314%	$99,452,500	Proceeds Used To Redeem $100 Million Of First Mortgage Bonds. 11 5/8% Series Due 12/1/1992 And Other General Corporate Purposes. Bond Redemption Savings-Nominal $5,300,000; Discounted After Tax Using 10% Rate; 5 Year 3,800,000
Duke Power Company	E-7 Sub 412	First & Refunding Mortgage Bonds Shelf Registration Sale. Rating Aa2	C	$150,000,000	4-24-86	2-18-87	8 1/2%	$150,000,000	$961,500	8.60%	8.66%	$147,463,500	Bonds Were Approved For Shelf Registration; Total Amount Approved Was $550,000,000. Total Sold Including This Issue Was $400,000,000, Leaving $150,000,000 on The Shelf. The Net Proceeds From This Sale Were Used To Redeem $140,000,000 of 10 7/8% First Mortgage Bonds-Series B Due 2009.
	E-7 Sub 411	Cumulative Preferred Stock-Series Q (100 Par Value Shelf Registration)	N	$50,000,000	4-16-86	2-18-87	7.12%	$50,000,000	$437,500	7.12%	7.18%	$4,956,250	Proceeds Used To Redeem All Of The Company's Outstanding 1,600,000 Shares Of Its 15.4% Preferred Stock A, Series 1962(Par Value $25)
	E-7 Sub 412	Series 1987-A Duke Power Company Project Collateral For Oconee County Annual Tender Pollution Control Revenue Bonds-Tax Exempt	N	$25,000,000	4-24-86	2-26-87	Initial Rate 3.95%	$25,000,000	$206,250	3.95%	3.96%	$24,793,750	Proceeds Used To Redeem 25,000,000 of Oconee Bonds With A 6.62% Interest Rate.
	E-7 Sub 415	Series 1987-B Duke Power Company Project Collateral For Oconee County Annual Tender Pollution Control Revenue Bonds-Tax Exempt	N	$10,000,000	4-24-86	2-26-87	Initial Rate 4.10%	$10,000,000	$82,500	4.10%	4.13%	$9,917,500	Proceeds To Be Used For Redeeming Other Debt Securities(The Two Sales Of Tax Exempts Makes A Total Of $535,000,000 Bonds Sold Of The $550,000,000 Authorized)

*N-Negotiated, P-Private Placement, I-Internal, C-Competitive
O-Open

FIGURE NO. 8-1 CONTINUED

SECURITIES ISSUES--NEW CAPITAL (Primarily) FOR THE CALENDAR YEAR 1987
Amounts Authorized for Total Company Operations

Name of Company	Docket Number	Type of Security or Transaction	Type Sale*	Face Amount	Activity Order	Dates Closing	Price per Share or Stated Interest Rate	Face Amount Sold	Underwriter's Commission	Yield at Offering	Net Cost to Company	Net Proceeds to Company Before Expenses	Comments
ELECTRIC:													
Duke Power Company	E-7 Sub 422	Long Term Debt Securities-Shelf Registration-SEC Rule 415	O	Maximum $300,000,000	6-10-87								Proceeds From Sale Of Securities For Refunding Purposes Only
	E-7 Sub 423	Preferred Stock Shelf Registration	O	Maximum $100,000,000	6-10-87								Proceeds From Sale Of Securities For Refunding Purposes Only
Total Electric companies				$700,000,000				$378,500,000	$2,452,750			$329,535,000	
GAS:													
Public Service Co. North Carolina	G-5 Sub 215	Unsecured Senior Debentures, 8.65% Series A, Due 2002	P	$25,000,000	4-23-87		8.65%						Part Of A Recapitalization Program. The Proceeds From The Sale Of These Debentures Will Be Used To Reduce Short Term Debt And For Construction Projects.
	G-5 Sub 217	Sale Up To 1,150,000 Shares Of Common Stock @ $14 Per Share	N	$16,100,000	4-23-87	6-4-87	$14 Per Share	$16,100,000	$805,000		8.375%	$15,095,319	Net Proceeds Estimated To Be $16,000,000 Used To Call And Redeem 15 1/2% Series K First Mortgage Bonds. Sold 1,150,000 Shares. Expenses Other Than Underwriters Were $199,680.95
	G-5 Sub 216	Common Stock-120,000 Shares For Employee Stock Purchase Plan	I	Market Value-120,000 Shares	10-21-87								Shares To Be Used In Employee Stock Purchase Plan
		Common Stock-300,000 Shares For 1987 Non-Qualified Stock Option Plan	I	Market Value-300,000 Shares	10-21-87								Shares To Be Used In 1987 Non-Qualified Stock Option Plan
Piedmont Natural Gas Co. Service	G-9 Sub 273	Common Stock; Use In Dividend Reinvestment & Stock Purchase Plan	I	Market Value-150,000 Shares	10-13-87								Shares To Be Used As Needed In Dividend Reinvestment And Stock Purchase Plan
Total Gas Companies				$41,100,000				$16,100,000	$805,000			$15,095,319	

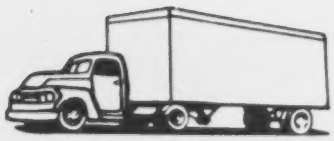
*N-Negotiated, P-Private Placement, I-Internal, C-Competitive
O-Open

FIGURE NO. 5-1 CONTINUED

SECURITIES ISSUES--NEW CAPITAL (Primarily) FOR THE CALENDAR YEAR 1987
Amounts Authorized for Total Company Operations

Name of Company	Docket Number	Type of Security or Transaction	Type Sale*	Face Amount	Activity Dates Order	Closing	Price per Share or Stated Interest Rate	Face Amount Sold	Underwriter's Commission	Yield at Offering	Net Cost to Company	Net Proceeds to Company Before Expenses	Comments
TELEPHONE:													
General Telephone Co. of The South	P-19 Sub 207	Series "DD", 9 1/2% First Mortgage Bonds Due 2027 Rating A1	N	$50,000,000	5-21-86	5-13-87	9 1/2%	$50,000,000	$239,000	9 1/2%	9.83%	$48,321,593	Proceeds Used To Repay Short Term Loans Made To Redeem on 4-1-87 The Company's 15 1/4% Series "AA" First Mortgage Bonds-$52,250,000 Face Value
	P-19 Sub 214	First Mortgage Bonds or Promissory Notes-Long Term	C	$150,000,000	8-6-87	10-8-87	11%	Series "EE" $50,000,000	$298,000	11.0c%	11.13%	$49,191,359	Proceeds of $50 Million Sold 10-8-87 Were Used To Reduce Short Term Debt. Long Term Debt Securities Registered Under SEC Rule 415
		1000 Shares Common Stock Sold To Parent	P	$25,000,000	8-6-87	12-7-87	$25 Par Value	Common Stock $25,000,000					Common Stock Will Be Sold To Parent. Portion of Long Term Debt Funds May Be Used To Redeem Higher Cost Debt Issues.
Metarie Home Telephone Co.	P-35 Sub 62	RTB-35 Year Loan @ 6.75%	N	$2,334,150	8-6-87	Drawdown As Needed	6.75%						Funds Will Be Used To Provide Service To 902 New Subscribers over A Five Year Period.
Citizens Telephone Co.	P 12 Sub 84	RTB-35 Year Loan @ 7.0%	N	$7,242,900	9-3-87	Drawdown As Needed	7.0%						Proceeds To Be Used To Connect An Estimated 1782 New Customers over The Next Five Years-Using Digital Remotes & Central Office Equipment
Alltel Carolina, Inc.	P-118 Sub 46	RTB-23 Year Loan @ 7 1/2%	N	$8,432,550	12-23-87		7 1/2%						Proceeds To Be Used To Upgrade Plant & Install Digital Remotes In The Matthews Exchange. Estimated Additional Subscribers During Five Year Project Is 6,419.
Total Telephone Companies				$243,009,600				$125,000,000	$537,000			$97,512,952	
GRAND TOTALS				$1,064,109,600				$519,600,000	$3,794,750			$442,143,271	

*N-Negotiated, P-Private Placement, I-Internal, C-Competitive
O-Open



IX. The Transportation Industry - Motor Freight Carriers

MOTOR FREIGHT CARRIERS

A. CLASSIFICATION OF MOTOR FREIGHT CARRIERS

Motor freight carriers are divided into three groups according to annual operating revenues. In effect since January 1, 1980 (Docket No. M-100, Sub 68), carriers having annual carrier operating revenues of $5 million or more are Class I carriers. Class II carriers have annual carrier operating revenues of at least $1 million but less than $5 million. Carriers having annual carrier operating revenues of less than $1 million are considered Class III carriers. All motor freight carriers that have authority to operate in North Carolina are required to file an annual report with the North Carolina Utilities Commission. Failure to file this report could be grounds for the cancellation of their operating authority by the Commission. Enforcement and compliance with the filing of annual reports on a timely basis requires a continuing effort by Commission personnel. At July 30, 1987, there were 1,000 motor freight carriers with authority to operate in North Carolina. As of October 1, 1987, there were 917 motor freight carrier annual reports on hand with the North Carolina Utilities Commission. Of the 1,000 freight carriers certified to operate, 60 companies were granted their authority in 1987. Therefore those companies will not be required to file 1986 annual reports.

B. DUTIES OF THE TRANSPORTATION DIVISION

INTRASTATE

The Commission Staff Transportation Division is charged with the economic and safety regulation of all certified motor freight carriers operating within the borders of this State. All applications for new authority grants, transfers of certificates, and cancellations of certificates are handled through this Division.

The Public Staff Transportation Rates Division has the responsibility for maintaining up-to-date files of current rate and service tariffs of all intrastate transportation utility companies. In addition the Public Staff reviews all applications for new or amended rate tariffs. In contested rate cases, rulemaking investigations, abandonments, mergers, and related matters, the Public Staff presents testimony in support of the position of the using and consuming public before the Commission.

The Public Staff has developed and implemented ratemaking rules and procedures designed to provide cost-of-service data for the North Carolina portion of service furnished by the various transportation companies under regulation. The purpose of the cost data is to assure that the companies charge the lowest level of reasonable rates.

The Public Staff offers technical assistance to the Commission and the general public in dealing with transportation matters.

C. COMMISSION ACTIVITIES

During 1986 a total of 79, or 33%, of the Commission's 239 formal hearings were related to the trucking industry; for 1985 the number of truck hearings was 85 and represented 30% of the 279 formal hearings. A recent amendment to the Public Utilities Act provides that if no protests are filed to the truck application, the hearing may be cancelled with the matter decided on sworn shipper affidavits. The majority of truck applications are decided in this manner. The Commission sometimes settles tariff filings and other filings based on Public Staff and Commission Staff studies and recommendations presented at Monday morning conference sessions.

D. IMPACT OF MOTOR CARRIER ACT OF 1980

A federal bill (Senate Bill 2245) to encourage the deregulation of the trucking industry was signed into law on July 1, 1980. The Motor Carrier Reform Act of 1980 was designed to reduce unnecessary regulation by the Federal government. This act increases opportunities for firms in the trucking industry to operate without interference from the government.

The Motor Carrier Reform Act of 1980 provided a three-year transition to the new regulatory environment with major changes in ratemaking beginning in July 1983. This act is Federal legislation and, therefore, affects only interstate commerce. The number of interstate vehicles registered with the N.C. Division of Motor Vehicles has increased significantly since the passage of the 1980 Motor Carriers Reform Act.

The following tabulation shows motor carriers which hold authority from the Commission classified by type:

Type	1985	1986
Common	681	789
Contract	209	162
Common and Contract	57	49
Total	947	1,000

"Common carrier by motor vehicle" means any person who holds himself out to the general public to engage in the transportation by motor vehicle in intrastate commerce of persons or property of any class or classes thereof for compensation, whether over regular or irregular routes, except as exempted in G.S. 62-260.

"Contract carrier by motor vehicle" means any person who, under an individual contract or agreement with another person as may be approved by the Utilities Commission, engages in the transportation other than the transportation referred to in the above paragraph, by motor vehicle of persons or property in intrastate commerce for compensation, except as exempted in G.S. 62-260.

E. SUMMARY OF OPERATING DATA

A list of the Class I and II motor freight carriers, with selected operating financial data is shown in Figure Nos. 9-1 and 9-2. Data for the Class III motor freight carriers is listed in Figure No. 9-3.

There were 642 Class III motor carriers filing 1986 annual reports with the North Carolina Utilities Commission. Often useful data for many of the Class III carriers is not available and in many instances is nonexistent. Therefore, discretion should be exercised in using Class III data for comparative purposes. The reported data does not reflect information for all the certified Class III motor carriers operating in North Carolina.

A summary of selected data for the Class I and II carriers for the 1986 calendar year is shown in Figure No. 9-4. It should be noted that the operating revenues for North Carolina are from freight moved on intrastate tariffs regulated by the North Carolina Commission only; therefore, they account for a very small percentage of the total revenues generated by this group of carriers (2%). Reports for years prior to 1979 have shown total North Carolina revenues to be about 8% to 10% of total systemwide revenues. The prior years' data included revenues which were generated from freight moved on both North Carolina (intrastate) and Interstate Commerce Commission (interstate) tariffs.

FIGURE NO. 9-1

Motor Freight Carriers--Class I
Grouped By Major Type of Products Transported
Calendar Years 1986 and 1985
(Dollars in 000s)

Mobile Home Movers:	North Carolina Regulated Revenues		TOTAL COMPANY DATA								North Carolina Average Number of Employees		North Carolina Total Salaries Paid	
			Revenues		Expenses		Net Operating Income		Operating Ratios					
	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985
Barrett Mobile Home Transport, Inc.	$263	$49	$17,731	$15,395	$17,065	$15,016	$666	$379	96.2%	97.5%	3	3	$70	$36
Interstate Carriers, Inc.	1,087	886	11,951	10,768	12,157	11,528	(206)	(760)	101.7%	107.1%	4	3	49	44
Morgan Drive Away, Inc.	183	201	54,999	53,005	54,458	52,901	541	104	99.0%	99.8%	4	4	40	39
NTC of America, Inc.	533	485	45,456	78,512	44,599	79,727	857	(1,215)	98.1%	101.5%	0	3	0	20
Transit Homes of America, Inc.	145	N/A	10,293	N/A	9,854	N/A	439	N/A	95.7%	N/A	2	N/A	21	N/A
Total	$2,211	$1,621	$140,430	$157,680	$138,133	$159,172	$2,297	($1,492)	98.4%	100.9%	13	13	$180	$139
Household Goods Movers:														
Burnham Service Company, Inc.	$107	$1,486	$89,487	$88,084	$78,765	$79,276	$10,722	$8,808	88.0%	90.0%	161	112	$2,652	$1,998
Lentz Transfer & Storage Company	151	95	11,970	9,811	11,411	9,508	559	303	95.3%	96.9%	223	165	3,927	2,987
Movers World, Inc.	133	73	35,023	25,719	35,725	27,839	(702)	(2,120)	102.0%	108.2%	0	14	0	210
Signal Delivery Service, Inc.	670	546	218,446	206,894	200,645	192,467	17,801	14,427	91.9%	93.0%	114	117	4,102	4,149
Stevens Van Lines, Inc.	0	2	20,328	15,167	20,218	13,586	110	1,581	99.5%	89.6%	0	1	0	8
Total	$1,061	$2,202	$375,254	$345,675	$346,764	$322,676	$28,490	$22,999	92.4%	93.3%	498	409	10,681	9,352
General Freight Carriers:														
AAA Cooper Transportation	$252	$288	$77,816	$71,963	$68,394	$64,165	$9,422	$7,798	87.9%	89.2%	64	51	$1,730	$1,570
ABF Freight System, Inc.	46	44	500,146	418,961	470,795	400,396	29,351	18,565	94.1%	95.6%	347	303	11,275	9,563
Alterman Transport Lines, Inc.	185	172	52,046	51,230	51,216	50,102	830	1,128	98.4%	97.8%	84	86	1,453	1,386
Action Transit Company	10	N/A	7,802	N/A	7,951	N/A	(149)	N/A	101.9%	N/A	11	N/A	242	N/A
Anderson Truck Line, Inc.	2,204	2,207	7,329	7,120	6,469	6,724	860	396	88.3%	94.4%	171	176	3,082	2,899
Associated Petroleum Carriers, Inc.	N/A	4,257	34,269	31,869	33,966	31,512	303	357	99.1%	98.9%	0	0	0	0
B & F Motor Lines, Inc.	0	0	13,691	11,786	12,559	11,551	1,132	235	91.7%	98.0%	102	57	1,747	1,003
B. I. Transportation, Inc.	321	185	71,014	71,203	63,380	64,023	7,634	7,180	89.3%	89.9%	672	681	17,520	17,511
Bennett Motor Express, Inc.	107	N/A	17,640	N/A	17,209	N/A	431	N/A	97.6%	N/A	0	N/A	0	N/A
Billings Transfer Corporation, Inc.	981	867	20,661	18,371	18,498	16,674	2,163	1,697	89.5%	90.8%	267	256	6,504	5,737
Blue Ridge Transfer Company, Inc.	0	N/A	32,753	34,881	32,118	34,634	635	247	98.1%	99.3%	81	93	1,647	1,611
Boone, The A.G. Company	3,923	3,852	10,087	9,181	9,272	8,899	815	282	91.9%	96.9%	120	119	3,012	2,910
Bowman, D. M., Inc.	0	0	21,685	20,128	19,855	19,589	1,830	539	91.6%	97.3%	98	83	2,056	1,745
Bralley Willett Tank Lines, Inc.	450	488	5,980	6,022	5,267	5,341	713	681	88.1%	88.7%	16	16	286	281
Brown Transport Corporation	0	N/A	189,710	182,153	178,758	179,660	10,952	2,493	94.2%	98.6%	312	285	7,398	6,278
Builders Transport, Inc.	2,491	2,413	106,407	107,720	98,065	93,592	8,342	14,128	92.2%	86.9%	173	163	3,829	4,022
Bulldog Trucking, Inc.	138	3	14,999	9,456	12,040	8,900	2,959	556	80.3%	94.1%	19	0	403	0
Burton Lines, Inc.	1,175	844	10,519	9,590	10,156	9,338	363	252	96.5%	97.4%	110	N/A	1,978	N/A
Byrd Motor Line, Inc.	N/A	0	8,890	8,291	8,455	8,019	435	272	95.1%	96.7%	N/A	165	N/A	3,213
C & H Transportation Company	8	19	95,927	104,714	96,658	103,665	(731)	1,049	100.8%	99.0%	20	10	379	142
C & N Evans Trucking Co., Inc.	10	5	15,526	17,488	14,964	17,508	562	(20)	96.4%	100.1%	258	258	3,145	3,724
Cabarrus Consolidating & Management Company	132	113	7,995	7,181	7,149	6,319	846	862	89.4%	88.0%	N/A	78	1,575	1,501

FIGURE NO. 9-1 CONTINUED

Motor Freight Carriers -Class I
Grouped By Major Type of Products Transported
Calendar Years 1986 and 1985
(Dollars in 000s)

TOTAL COMPANY DATA

	North Carolina Regulated Revenues		Revenues		Expenses		Net Operating Income		Operating Ratios		North Carolina Average Number of Employees		North Carolina Total Salaries Paid	
	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985
Caldwell Freight Lines, Inc.	$1,124	$1,054	$9,370	$8,983	$7,761	$7,603	$1,609	$1,380	82.8%	84.6%	160	155	$3,415	$2,995
Carolina Freight Carriers Corporation	657	799	474,032	411,911	438,496	381,661	35,536	30,250	92.5%	92.7%	2,608	2,390	77,364	70,106
Catawba Trucking Company, Inc.	20	16	9,003	8,992	8,109	7,851	894	1,141	90.1%	87.3%	0	0	0	0
Central Transport, Inc.	2,163	1,981	46,268	38,786	41,961	35,088	4,307	3,698	90.7%	90.5%	240	231	6,710	4,537
Chemical Leaman Tank Lines, Inc.	2,375	2,186	184,527	160,944	176,996	156,827	7,531	4,117	95.9%	97.4%	69	95	2,786	2,744
Cline, Phil Trucking, Inc.	28	30	4,243	6,530	3,996	5,953	247	577	94.2%	91.2%	25	61	714	663
Coast Refrigerated Trucking Company, Inc.	73	475	9,349	9,502	9,137	9,225	212	277	97.7%	97.1%	19	18	554	459
Colonial Freight Systems, Inc.	93	N/A	42,917	43,704	41,937	42,197	980	1,507	97.7%	96.6%	27	N/A	666	N/A
Colonial Motor Freight Line, Inc.	1,500	N/A	17,368	17,272	17,259	16,975	109	297	99.4%	98.3%	270	N/A	4,827	N/A
Conoco, Inc.	1,031	490	74,769	71,233	59,224	61,158	15,545	10,075	79.2%	85.9%	47	30	1,480	733
Consolidated Freightways Corp. of Delaware	110	83	1,467,329	1,329,571	1,351,606	1,235,835	115,723	93,736	92.1%	92.9%	709	613	22,195	18,595
Continental Transport Systems, Inc.	3	2	2,873	5,708	2,701	5,366	172	342	94.0%	94.0%	0	0	0	0
Cresco Lines, Inc.	0	42	17,705	16,380	16,907	16,093	798	287	95.5%	98.2%	0	0	0	0
Crete Carrier Corporation	0	0	80,295	83,092	77,087	79,569	3,208	3,523	96.0%	95.8%	0	0	0	0
Custom Deliveries	420	0	28,696	28,374	27,792	27,614	904	760	96.8%	97.3%	5	3	161	N/A
DPD, Inc.	684	76	121,833	75,191	119,093	65,250	2,740	9,941	97.8%	86.8%	15	2	195	65
Decato Brothers, Inc.	15	24	10,250	9,634	9,982	9,322	268	312	97.4%	96.8%	3	3	39	40
Dedicated Fleet, Inc.	252	12,821	12,728	12,821	11,605	12,538	1,123	283	91.2%	97.8%	6	6	129	125
DeWitt, L.G. Trucking Company, Inc.	0	N/A	23,117	17,580	24,989	18,188	(1,872)	(608)	108.1%	103.5%	356	268	5,424	4,668
Dixie Trucking Company, Inc.	4,297	3,273	7,813	5,951	7,384	5,737	429	214	94.5%	96.4%	141	117	3,932	2,868
Douglas & Bess, Inc.	0	32	6,744	6,010	6,662	5,893	82	117	98.8%	98.1%	69	69	1,653	1,563
Eagle Transport Corporation	3,851	3,482	9,039	5,595	8,306	5,236	733	359	91.9%	93.6%	78	65	1,706	1,399
Electric Transport, Inc.	0	0	5,087	3,129	4,792	3,054	295	75	94.2%	97.6%	0	0	0	0
Epes Transport System, Inc.	639	662	13,052	13,245	13,473	13,326	(421)	(81)	103.2%	100.6%	94	93	1,886	1,783
Estes Express Lines	10,982	10,069	72,570	64,481	61,263	56,555	11,307	7,926	84.4%	87.7%	N/A	608	14,892	13,810
Fleet Transport Company, Inc.	1,116	966	55,149	51,718	53,374	52,625	1,775	(907)	96.8%	101.8%	22	26	444	367
Food Carrier, Inc.	606	554	10,263	8,398	9,205	7,832	1,058	566	89.7%	93.3%	0	0	0	0
Forbes Transfer Company, Inc.	648	637	6,521	6,507	6,151	6,214	370	293	94.3%	95.5%	69	66	891	1,132
Fredrickson Motor Express Corporation	20,442	19,212	37,563	35,577	36,942	35,172	621	405	98.3%	98.9%	882	850	17,622	17,642
Fulton, Arthur H., Inc.	N/A	N/A	20,042	15,264	17,840	14,344	2,202	920	89.0%	94.0%	75	75	1,827	1,875
Gabler, H.C., Inc.	88	106	13,314	13,633	12,764	13,547	550	86	95.9%	99.4%	7	N/A	129	N/A
Gaines Motor Lines, Inc.	4,306	N/A	17,499	15,159	14,391	12,511	3,108	2,648	82.2%	82.5%	136	121	3,233	2,721
Gilliland Transfer Company	0	N/A	8,191	8,287	8,228	8,076	(37)	211	100.5%	97.5%	0	N/A	0	N/A
Glass Container Transport	N/A	1,271	6,420	5,243	5,839	4,797	581	446	91.0%	91.5%	N/A	49	N/A	972
Glosson Enterprises, Inc.	164	22	5,861	7,257	5,403	6,506	458	751	92.2%	89.7%	88	95	1,780	1,941
Graham, David Company	N/A	34	16,917	18,650	16,462	18,151	455	499	97.3%	97.3%	N/A	13	N/A	239
Green Arrow Motor Express Company	120	114	10,380	11,468	10,802	12,757	(422)	(1,289)	104.1%	111.2%	0	1	0	37
Greenwood Motor Lines, Inc.	421	172	12,476	11,126	10,928	9,823	1,548	1,303	87.6%	88.3%	45	30	1,011	645
Gypsum Haulage, Inc.	0	0	14,673	14,163	14,156	12,852	517	1,311	96.5%	90.7%	0	0	0	0
H & W Trucking Company, Inc.	0	N/A	7,387	7,392	6,956	6,746	431	646	94.2%	91.3%	65	101	1,331	1,552
Harris, Dick & Son Trucking Company, Inc.	0	N/A	7,690	N/A	18,559	N/A	1,131	N/A	94.3%	N/A	17	N/A	327	N/A
Herman Brothers, Inc.	0	0	19,898	20,999	20,006	20,716	(108)	283	100.5%	98.7%	0	0	0	0
Holly Farms Poultry Industries, Inc.	668	689	15,521	14,173	22,529	20,414	(7,008)	(6,241)	145.2%	144.0%	181	166	5,594	4,524

FIGURE No. 9 1 CONTINUED

Motor Freight Carriers--Class I
Grouped By Major Type of Products Transported
Calendar Years 1986 and 1985
(Dollars in 000s)

	North Carolina Regulated Revenues		TOTAL COMPANY DATA Revenues		Expenses		Net Operating Income		Operating Ratios		North Carolina Average Number of Employees		North Carolina Total Salaries Paid	
	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985
Home Run, Inc.	$96	N/A	$6,062	N/A	$5,542	N/A	$520	N/A	91.4%	N/A	2	N/A	$10	N/A
Home Transportation Company, Inc.	N/A	N/A	N/A	14,191	N/A	14,340	N/A	(149)	N/A	101.0%	N/A	N/A	N/A	N/A
Horizon Transportation Services Corporation	N/A	0	N/A	7,927	N/A	7,895	N/A	32	N/A	99.6%	N/A	21	N/A	477
Huss, Inc.	31	N/A	11,137	N/A	10,819	N/A	318	N/A	97.1%	N/A	0	N/A	0	N/A
Independent Freightway, Inc.	12	N/A	105,169	N/A	102,481	N/A	2,688	N/A	97.4%	N/A	3	N/A	97	N/A
Indianhead Transportation Company, Inc.	0	0	12,013	11,299	11,212	11,918	801	(619)	93.3%	105.5%	0	0	0	0
Infinger Transportation Company, Inc.	379	533	8,678	8,712	8,206	8,316	472	396	94.6%	95.5%	16	16	294	296
Iredell Milk Transportation, Inc.	735	243	5,763	5,571	5,696	5,495	67	76	98.8%	98.6%	56	55	1,143	1,204
J & S Truck Service, Inc.	0	0	11,921	11,849	11,624	11,667	297	182	97.5%	98.5%	129	142	2,891	2,791
Jefferson Trucking Company	4	6	14,430	14,277	13,443	13,097	987	1,180	93.2%	91.7%	0	0	0	0
Kenan Transport Company	6,530	6,339	37,097	34,605	33,133	31,461	3,964	3,144	89.3%	90.9%	223	164	5,513	5,318
Kenosha Auto Transport Corporation	0	0	55,367	56,518	53,961	57,141	1,406	(623)	97.5%	101.1%	N/A	N/A	N/A	N/A
Landair Transport, Inc.	0	N/A	12,907	N/A	11,799	N/A	1,108	N/A	91.4%	N/A	80	N/A	373	N/A
Lawrence Transportation Systems, Inc.	467	159	10,509	9,282	11,588	10,061	(1,079)	(779)	110.3%	108.4%	117	79	1,767	1,128
Leaseway Customized Transport, Inc.	0	0	22,905	9,386	22,103	9,609	802	(223)	96.5%	102.4%	6	0	258	0
Leaseway Deliveries, Inc.	0	0	47,988	40,063	49,262	39,159	(1,274)	904	102.7%	97.7%	0	0	0	0
Lebarnold, Inc.	103	93	7,235	6,797	6,462	6,508	773	289	89.3%	95.7%	32	33	714	696
Liquid Transporters, Inc.	1,473	1,460	30,082	30,295	30,338	32,616	(256)	(2,321)	100.9%	107.7%	32	42	526	623
Logistics Express, Inc.	0	0	23,869	15,506	22,448	14,435	1,421	1,071	94.0%	93.1%	0	0	0	0
Lumber Transport, Inc.	20	18	11,985	14,854	10,980	13,662	1,005	1,192	91.6%	92.0%	0	1	0	17
M&M Transport Corporation	21	17	23,212	17,617	22,317	16,887	895	730	96.1%	95.9%	210	153	4,776	3,223
McClendon, Glenn Trucking Company, Inc.	27	41	34,239	32,363	31,667	30,148	2,572	2,215	92.5%	93.2%	13	13	181	212
McGil Specialized Carriers, Inc.	N/A	N/A	50,140	N/A	49,166	N/A	974	N/A	98.1%	N/A	N/A	N/A	N/A	N/A
Matlack, Inc.	511	453	203,265	200,243	197,747	203,539	5,518	(3,296)	97.3%	101.6%	18	14	484	373
Melton Truck Lines, Inc.	29	133	52,533	53,273	52,722	53,105	(189)	168	100.4%	99.7%	8	9	128	146
Mercer Brothers Trucking Company	248	302	7,282	8,746	7,241	8,594	41	152	99.4%	98.3%	87	86	1,564	1,622
Merchants Home Delivery Service, Inc.	0	0	46,221	44,905	41,910	41,143	4,311	3,762	90.7%	91.6%	0	0	0	0
Metler, A. J. Hauling & Rigging, Inc.	0	N/A	32,327	N/A	32,066	N/A	261	N/A	99.2%	N/A	6	N/A	149	N/A
Mitchell Transport	N/A	240	31,181	35,299	32,878	36,181	(1,697)	(882)	105.4%	102.5%	34	5	699	92
Moss Trucking Company, Inc.	1,011	904	15,568	14,979	14,599	14,246	969	733	93.8%	95.1%	116	117	2,797	2,732
Motor Convoy, Inc.	N/A	N/A	119,561	104,385	117,725	103,357	1,836	1,028	98.5%	99.0%	N/A	N/A	N/A	N/A
Murrow's Transfer, Inc.	249	314	9,455	9,343	8,742	9,103	713	240	92.5%	97.4%	147	157	3,313	3,290
National Freight, Inc.	96	125	132,942	103,390	127,846	101,976	5,096	1,414	96.2%	98.6%	24	15	486	300
North American Van Lines, Inc.	N/A	825	744,919	680,120	722,999	664,864	21,920	15,256	97.1%	97.8%	N/A	9	N/A	162
Nu Car Carriers, Inc.	10	7	133,719	116,605	126,070	110,837	7,649	5,768	94.3%	95.1%	15	14	808	572
Observer, The Transportation Company	621	532	6,297	6,114	5,866	5,812	431	302	93.2%	95.1%	114	107	2,808	2,767
Old Dominion Freight Line, Inc.	1,843	1,601	104,499	112,790	104,079	112,028	420	762	99.6%	99.3%	950	952	16,162	16,409
Overnite Transportation Company	7,743	7,523	529,742	469,695	445,078	398,382	84,664	71,313	84.0%	84.8%	1094	1,063	26,630	24,882
Pilot Freight Carriers, Inc.	0	0	181,117	180,600	185,686	192,607	(4,569)	(12,007)	102.5%	106.6%	1172	1132	33,497	31,600
Pioneer Transportation Systems, Inc.	0	N/A	39,213	N/A	38,417	N/A	796	N/A	98.0%	N/A	12	N/A	178	N/A
Ploof Truck Lines, Inc.	2,702	2,472	36,494	35,852	30,048	30,857	6,446	4,995	82.3%	86.1%	65	59	1,187	1,110
Pony Express Courier Corporation	9,965	9,817	107,749	52,368	110,904	50,302	(3,155)	2,066	102.9%	96.1%	560	170	5,281	1,747
Purolator Courier Corporation	1,817	1,052	444,811	436,663	517,693	508,906	(72,882)	(72,243)	116.4%	116.5%	230	216	3,198	3,027

FIGURE NO. 9-1 CONTINUED

Motor Freight Carriers--Class I
Grouped By Major Type of Products Transported
Calendar Years 1986 and 1985
(Dollars in 000s)

	North Carolina Regulated Revenues		TOTAL COMPANY DATA								North Carolina Average Number of Employees		North Carolina Total Salaries Paid	
			Revenues		Expenses		Net Operating Income		Operating Ratios					
	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985
Quality Carriers, Inc.	$129	$34	$39,816	$32,417	$37,991	$31,043	$1,825	$1,374	95.4%	95.8%	0	0	$0	$0
Redwing Carriers, Inc.	0	0	28,480	26,594	28,389	28,650	91	(56)	99.7%	100.2%	0	0	0	0
Roberts Express, Inc.	52	20	41,103	35,798	37,086	31,908	4,017	3,890	90.2%	89.1%	15	1	269	76
Santee Carriers, Inc.	566	530	16,654	15,578	16,219	15,181	435	397	97.4%	97.5%	48	64	945	946
Schwerman Trucking Company	N/A	9	45,898	49,574	43,449	48,161	2,449	1,413	94.7%	97.1%	N/A	5	N/A	84
Senn Trucking Company	0	N/A	18,245	19,395	17,004	18,443	1,241	952	93.2%	95.1%	N/A	N/A	N/A	N/A
Skyline Transportation, Inc.	53	62	6,942	6,649	6,704	6,222	238	427	96.6%	93.6%	25	28	570	501
Smith, Aaron Trucking Company, Inc.	958	1,166	6,846	7,033	6,755	6,919	91	114	98.7%	98.4%	142	81	1,368	1,367
Southeastern Freight Lines	4,291	2,203	88,603	77,067	78,896	69,096	9,707	7,971	89.0%	89.7%	348	270	10,273	7,440
Spartan Express, Inc.	1,636	1,366	50,352	37,493	51,135	35,712	(783)	1,781	101.6%	95.2%	255	220	6,170	5,124
Standard Trucking Company	9,345	21,598	47,316	52,308	49,081	55,363	(1,765)	(3,055)	103.7%	105.8%	527	N/A	14,868	N/A
Star Freight, Inc.	326	N/A	5,789	N/A	5,756	N/A	33	N/A	99.4%	N/A	12	N/A	274	N/A
Stevens Freight Service, Inc.	2,466	N/A	13,415	N/A	13,235	N/A	180	N/A	98.7%	N/A	37	N/A	621	N/A
Stone, Roy Transfer Corporation	N/A	40	N/A	15,561	N/A	16,021	N/A	(460)	N/A	103.0%	N/A	32	N/A	758
Stuart Transportation Corporation	1,468	1,262	11,164	10,455	10,924	10,308	240	147	97.9%	98.6%	144	139	3,269	3,247
Superior Trucking Company, Inc.	N/A	11	N/A	17,631	N/A	17,626	N/A	5	N/A	100.0%	N/A	0	N/A	0
TSC Express Company	339	N/A	16,450	N/A	15,357	N/A	1,093	N/A	93.4%	N/A	11	N/A	221	N/A
Terminal Trucking Company, Inc.	6,610	3,716	7,686	5,839	4,829	4,252	2,857	1,587	62.8%	72.8%	130	110	2,587	1,928
Thomas, R. F. Trucking Company, Inc.	0	N/A	5,698	N/A	5,181	N/A	517	N/A	90.9%	N/A	0	N/A	0	N/A
Thurston Motor Lines, Inc.	6,568	7,090	143,703	136,572	144,079	138,292	(376)	(1,720)	100.3%	101.3%	1,250	1,285	28,074	26,061
Transport Service Company	210	242	23,605	22,554	21,864	21,378	1,741	1,176	92.6%	94.8%	6	6	139	147
Tri State Motor Transit Company	213	257	115,736	114,543	110,318	114,979	5,418	(436)	95.3%	100.4%	4	4	113	82
UTF Carriers, Inc.	0	0	9,181	9,440	9,385	9,132	(204)	308	102.2%	96.7%	0	0	0	0
Underwood & Weld Company, Inc.	54	91	7,379	5,686	7,061	6,021	318	(335)	95.7%	102.3%	84	83	2,105	1,512
United Parcel Service, Inc.	30,696	26,801	5,334,812	4,898,303	4,771,556	4,361,577	563,256	536,726	89.4%	89.0%	2,191	2,009	104,752	89,309
Vance Trucking Company	305	346	5,820	5,068	5,476	5,018	324	50	94.4%	99.0%	75	75	95	912
Ward Trucking Corporation	4	N/A	36,922	N/A	36,027	N/A	895	N/A	97.6%	N/A	20	N/A	628	N/A
Watkins Motor Lines, Inc.	0	0	126,193	118,482	120,945	111,012	5,248	7,470	95.8%	93.7%	181	159	5,253	4,868
West Point Pepperell Transportation Company	1,004	767	23,839	23,152	17,990	18,722	5,849	4,430	75.5%	80.9%	23	20	672	607
Williamson Truck Lines, Inc.	0	0	5,819	5,411	5,742	5,375	77	36	98.7%	99.3%	44	N/A	1,460	N/A
Wilson Trucking Corporation	2,459	2,112	51,767	48,651	44,806	43,214	6,961	5,437	86.6%	88.8%	238	230	6,065	5,486
Wingate Trucking Company	N/A	0	N/A	14,551	N/A	10,734	N/A	3,817	N/A	73.8%	N/A	0	N/A	0
Youngblood Truck Lines	0	0	21,049	18,629	18,858	18,176	2,191	453	89.6%	97.6%	161	N/A	3,462	N/A
Total	$177,816	$182,063	$14,249,519	$12,758,057	$13,268,928	$11,926,597	$980,591	$831,460	93.1%	93.5%	21,056	19,047	$566,415	$483,365
Grand Total	$181,068	$185,896	$14,765,203	$13,261,412	$13,753,825	$12,408,445	$1,011,378	$852,967	93.2%	93.6%	21,567	19,469	$577,276	$493,674

N/A - Not Available

Grand Total Class I Motor
Freight Carriers for:
1986 = 146
1985 = 135

FIGURE NO. V-2

Motor Freight Carriers--Class II
Grouped By Major Type of Products Transported
Calendar Years 1986 and 1985
(Dollars in 000s)

	North Carolina Regulated Revenues		TOTAL COMPANY DATA								North Carolina Average Number of Employees	
			Revenues		Expenses		Net Operating Income		Operating Ratios			
	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985
Mobile Home Movers:												
Chandler Trailer Convoy, Inc.	N/A	$1	N/A	$2,443	N/A	$2,477	N/A	(34)	N/A	101.4%	N/A	0
Dependable Tank Lines, Inc.	115	75	1,998	1,950	1,933	1,769	65	181	96.7%	90.7%	10	4
Modular Transport, Inc.	N/A	73	N/A	$2,429	N/A	$2,816	N/A	($387)	N/A	115.9%	N/A	9
Total	$115	$149	$1,998	$6,822	$1,933	$7,062	65	(240)	96.7%	103.5%	10	13
Household Goods Carriers:												
Action Moving & Storage, Inc.	$105	$46	$1,692	$1,000	$1,600	$971	$92	$29	94.6%	97.1%	65	50
Admiral Transportation Services	160	203	1,719	1,140	845	447	874	693	49.2%	39.2%	35	25
Airway Moving & Storage, Inc.	125	99	2,666	2,509	2,563	2,454	103	55	96.1%	97.8%	67	65
Baucom's Transfer & Storage Company, Inc.	213	199	1,292	1,364	1,266	1,307	26	57	99.0%	95.8%	35	38
Carolina Moving & Storage, Inc.	121	125	1,755	3,778	1,144	1,245	611	2,533	65.2%	33.0%	53	64
Charlotte Van & Storage Company, Inc.	236	173	2,435	2,563	2,581	2,429	(146)	134	106.0%	94.8%	61	63
City Transfer and Storage Company	278	266	1,969	2,079	1,902	1,840	67	239	96.6%	88.5%	50	42
Clark Transfer Company, Inc.	90	68	1,236	1,025	1,241	1,102	(5)	(77)	100.4%	107.5%	35	30
DeHaven's Transfer & Storage, Inc.	58	18	1,395	1,478	1,269	1,455	126	23	91.0%	98.4%	50	50
Fleming, J. Flint, Inc.	46	54	2,158	2,665	2,094	2,533	64	132	97.0%	95.0%	4	5
Horne Storage Company, Inc.	103	90	1,683	1,634	1,640	1,502	43	132	97.4%	91.9%	32	30
Hudson Transportation, Inc.	5	N/A	4,122	4,029	3,994	3,942	128	87	96.9%	97.8%	7	N/A
Jackson Moving & Storage Company, Inc.	350	353	1,101	1,213	1,084	1,196	17	17	98.5%	98.6%	23	24
Martin Transfer & Storage	239	681	1,877	1,712	1,892	1,724	(15)	(12)	100.8%	100.7%	50	60
Modern Moving & Storage, Inc.	70	76	1,019	1,117	1,004	1,100	15	17	98.5%	98.5%	21	25
Piedmont Movers, Inc.	191	81	1,209	1,158	967	1,070	242	88	80.0%	92.4%	11	10
Ray Moving & Storage, Inc.	209	174	1,224	1,321	1,313	1,320	(89)	1	107.3%	99.9%	22	20
Smith, M.M. Storage Warehouse, Inc.	26	40	993	1,281	1,114	1,256	(121)	25	112.2%	98.0%	52	53
Tru-Pak Products Co., Inc.	84	77	4,259	3,872	3,279	3,057	980	815	77.0%	79.0%	50	45
United Merchants Trucking, Inc.	37	45	3,568	3,594	3,086	4,187	482	(593)	86.5%	116.5%	38	46
Weshburn Storage Company	169	3	2,410	2,788	2,632	2,721	(222)	67	109.2%	97.6%	3	45
Weathers Brothers Transfer Co. of N.C.	0	N/A	1,749	N/A	1,726	N/A	23	N/A	98.7%	N/A	100	N/A
Wooldridge, J.C., Inc.	22	5	2,065	1,484	1,953	1,678	112	(194)	94.6%	113.1%	0	0
Total	$2,937	$2,876	$45,596	$44,804	$42,189	$40,536	$3,407	$4,268	92.5%	90.5%	$864	$790
General Freight Carriers:												
American Parcel Service, Inc.	$544	$502	$1,093	$1,035	$1,066	$1,028	$27	$7	97.5%	99.3%	2	4
Air Cargo Services, Inc.	23	24	2,773	2,727	2,862	2,715	(89)	12	103.2%	99.6%	60	86
Barnett Truck Line, Inc.	841	970	1,534	1,792	1,571	1,777	(37)	15	102.4%	99.2%	33	34
Blue Ridge Trucking Company	602	N/A	4,013	4,177	3,997	4,049	16	128	99.6%	96.9%	85	79

FIGURE No. 9-2 CONTINUED

Motor Freight Carriers--Class II
Grouped By Major Type of Products Transported
Calendar Years 1986 and 1985
(Dollars in 000s)

	North Carolina Regulated Revenues		TOTAL COMPANY DATA								North Carolina Average Number Of Employees		North Carolina Total Salaries Paid	
			Revenues		Expenses		Net Operating Income		Operating Ratios					
	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985
Building Systems Transportation, Inc.	$12	$19	$3,924	$3,934	$3,864	$3,718	$60	$216	98.5%	94.5%	0	0	$0	$0
Bunch Trucking Company, Inc.	646	691	1,874	1,855	1,858	1,852	16	3	99.1%	99.8%	32	30	490	387
Byrum, A.T. & Son, Inc.	144	147	2,518	2,599	2,461	2,467	$57	$132	97.7%	94.9%	33	61	489	498
CFI Transport, Inc.	56	52	3,484	3,479	3,371	3,017	$113	$462	96.8%	86.7%	34	35	862	861
Cargocare Transportation Company	243	402	2,356	2,833	2,272	2,705	84	128	96.4%	95.5%	9	7	191	189
Cargo Transporters, Inc.	97	22	5,104	4,498	5,000	4,370	104	128	98.0%	97.2%	59	53	1,414	1,171
Carolina Tank Lines, Inc.	352	235	2,327	1,563	2,166	1,601	161	(38)	93.1%	102.4%	22	11	422	267
Carrier Freight Lines, Inc.	15	6	4,449	3,358	4,326	3,266	123	92	97.2%	97.3%	65	38	1,416	852
Carroll's Transfer, Inc.	6	0	1,684	1,732	1,657	1,764	27	(32)	98.4%	101.8%	22	26	419	558
Carter, Robahlee	N/A	N/A	1,454	1,312	1,589	1,472	(135)	(160)	109.3%	112.2%	20	23	185	197
Clarkson Bros. Machinery Haulers, Inc.	13	6	1,507	1,658	1,350	1,840	157	(182)	89.6%	111.0%	0	0	0	0
Coastal Transport, Inc.	2,469	2,318	2,857	2,599	2,809	2,402	48	197	98.3%	92.4%	29	25	605	515
Commercial Courier Express, Inc.	3,486	2,689	6,205	3,593	4,854	3,586	1,351	7	78.2%	99.8%	138	159	1,528	1,603
Cooke Trucking Company, Inc.	0	0	3,700	3,086	2,967	2,734	733	352	80.2%	88.6%	59	60	670	574
Cox Trucking	334	243	2,055	1,688	2,052	1,665	3	23	99.9%	98.6%	29	23	559	445
Custom Transport, Inc.	1,033	794	5,657	4,954	4,948	4,636	709	318	87.5%	93.6%	90	85	1,946	1,796
D & L Leasing & Diesel, Inc.	778	N/A	3,243	N/A	1,816	N/A	1,427	N/A	56.0%	N/A	42	N/A	1,120	N/A
D & L Trucking, Inc.	1,507	1,251	3,262	2,597	3,124	2,497	138	100	95.8%	96.1%	55	52	1,106	959
Dairy Leasing Service, Inc.	N/A	N/A	2,953	3,430	2,982	3,352	(29)	78	101.0%	97.7%	35	38	549	563
Davie Truckers, Inc.	1,440	1,584	3,185	3,104	3,175	2,907	10	197	99.7%	93.7%	24	24	556	480
Dedmon, A.V., Trucking, Inc.	201	292	1,477	1,413	1,373	1,342	104	71	93.0%	95.0%	25	25	521	437
Dew Transport Company	1,296	N/A	1,392	N/A	1,299	N/A	93	N/A	93.3%	N/A	5	N/A	127	N/A
E-B Trucking Company, Inc.	N/A	1,126	N/A	1,126	N/A	1,152	N/A	(26)	N/A	102.3%	N/A	17	N/A	244
East Carolina Oil Transport, Inc.	1,595	1,937	1,595	1,937	1,621	1,901	(26)	36	101.6%	98.1%	40	43	569	632
East Coast Transport Company, Inc.	1,883	1,796	1,883	1,796	1,698	1,629	185	167	90.2%	90.7%	29	28	580	522
Eastern Motor Lines, Inc.	0	0	3,159	2,345	2,993	2,221	166	124	94.7%	94.7%	4	8	250	132
Edmac Trucking Company, Inc.	364	269	1,758	1,456	1,680	1,484	78	(28)	95.6%	101.9%	35	25	533	418
Electronic Express, Inc.	0	N/A	1,242	N/A	1,194	N/A	48	N/A	96.1%	N/A	N/A	N/A	13	N/A
Everette Express, Inc.	87	69	2,872	3,273	2,898	3,231	(26)	42	100.9%	98.7%	21	25	450	453
Everette Truck Line, Inc.	3	5	4,069	4,895	4,096	4,826	(27)	69	100.7%	98.6%	32	73	506	633
Ezzell Trucking, Inc.	464	502	3,185	2,697	2,473	2,179	712	518	77.6%	80.8%	33	30	660	543
Fanelli Bros. Trucking Company	0	0	2,340	2,386	2,436	2,595	(96)	(209)	104.1%	108.8%	0	0	0	0
First American Carriers, Inc.	N/A	N/A	4,920	3,478	6,967	4,001	(2,047)	(523)	141.6%	115.0%	4	60	111	896
Forbes Refrigerated Transport, Inc.	24	39	1,171	1,104	1,116	1,066	55	38	95.3%	96.6%	12	15	275	300
Gallimore, D.P. and Sons, Inc.	0	N/A	3,693	3,330	3,507	3,199	186	131	95.0%	96.1%	47	N/A	N/A	N/A
Goldston, M.D., Inc.	189	213	7,134	1,577	7,091	1,858	43	(281)	99.4%	117.8%	0	71	0	494
Groves, F.W. Trucking Company	635	536	2,094	2,257	2,079	2,278	15	(21)	99.3%	100.9%	32	35	570	550
Guignard Freight Lines	266	272	8,553	3,143	8,374	3,050	179	93	97.9%	97.0%	93	98	1,870	2,162
H & S Truck Service of Ahoskie, Inc.	9	101	1,213	1,329	1,152	914	61	415	95.0%	68.8%	24	27	362	389
HFCS Transport Company, Inc.	1,026	888	3,643	2,800	3,052	2,460	591	340	83.8%	87.9%	30	30	860	718
Harper Trucking Co., Inc.	2,562	2,327	2,840	2,502	2,519	2,399	321	103	88.7%	95.9%	56	50	1,415	1,280
Harrell, R.O., Inc.	290	275	1,606	1,333	1,522	1,249	84	84	94.8%	93.7%	0	0	0	0
Henry, C.S. Transfer, Inc.	86	72	4,389	3,873	4,053	3,688	336	185	92.3%	95.2%	71	66	1,689	1,450

FIGURE NO. V-2 CONTINUED

Motor Freight Carriers--Class II
Grouped By Major Type of Products Transported
Calendar Years 1985 and 1984
(Dollars in 000s)

	North Carolina Regulated Revenues		TOTAL COMPANY DATA								North Carolina Average Number of Employees		North Carolina Total Salaries Paid	
			Revenues		Expenses		Net Operating Income		Operating Ratios					
	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985
Heritage Transport, Inc.	$4,956	N/A	$4,992	N/A	$2,934	N/A	$2,058	N/A	58.8%	N/A	1	N/A	$39	N/A
Highland Transport, Inc.	0	N/A	1,682	N/A	1,423	N/A	259	N/A	84.6%	N/A	18	N/A	547	N/A
Howell's Motor Freight, Inc.	65	48	7,710	2,584	7,248	2,378	462	206	94.0%	92.0%	92	76	1,332	988
Huck's Piggyback Service, Inc.	38	152	1,733	1,330	1,612	985	121	345	93.0%	74.1%	27	25	615	396
Kennedy Freight Lines, Inc.	300	0	2,311	2,528	2,303	2,502	8	$26	99.7%	99.0%	10	2	197	21
Kugler, George W., Inc.	0	0	2,263	2,320	2,208	2,441	55	(121)	97.6%	105.2%	0	0	0	0
Lewis Truck Lines, Inc.	14	17	2,270	1,855	2,355	1,964	(85)	(109)	103.7%	105.9%	0	0	0	0
Lisk, Howard, Inc.	899	849	4,330	3,532	4,169	3,236	141	296	96.7%	91.6%	57	61	1,294	971
Louisiana-Pacific Trucking Company	66	45	2,546	2,850	2,356	2,588	190	262	92.5%	90.8%	0	0	0	0
MCV Transport, Inc.	1,182	N/A	4,528	N/A	4,441	N/A	87	N/A	98.1%	N/A	41	N/A	783	N/A
McClellan Truck Lines	21	20	3,373	3,501	3,340	3,413	33	88	99.0%	97.5%	0	0	0	0
McLaurin Trucking Company	0	976	3,732	1,545	3,654	1,718	78	(173)	97.9%	111.2%	41	36	716	579
Martin Motor Lines	1,191	1,039	1,511	1,209	1,473	1,211	38	(2)	97.5%	100.2%	36	34	793	622
Merchants Transport of Hickory, Inc.	488	452	1,424	1,737	1,400	1,689	24	48	98.3%	97.2%	0	0	0	0
Merritt Trucking Company, Inc.	1,402	1,135	4,234	3,709	3,898	3,467	336	242	92.1%	93.5%	75	66	1,299	1,073
Nationwide Horse Carriers, Inc.	0	0	2,024	1,691	2,231	1,795	(207)	(104)	110.2%	106.2%	0	0	0	0
North State Motor Lines, Inc.	391	302	3,082	3,179	3,017	3,193	65	(14)	97.9%	100.4%	56	66	680	730
Parsons B.G. Trucking Company	136	201	7,738	201	7,523	185	215	16	97.2%	92.0%	81	74	1,779	1,643
Piedmont Fuel & Distributing Company, Inc.	735	794	1,051	1,058	995	994	56	64	94.7%	94.0%	27	23	440	413
Pioneer Trucking Company, Inc.	32	3	1,555	1,697	1,521	1,687	34	10	97.8%	99.4%	29	24	515	428
Pitt County Transportation, Inc.	297	283	3,778	3,746	3,577	3,634	201	112	94.7%	97.0%	47	47	891	914
Postmasters, Inc.	1	N/A	3,220	N/A	7,784	N/A	(4,564)	N/A	241.7%	N/A	34	N/A	31	N/A
Raeford Trucking Company	3,541	N/A	3,640	N/A	3,649	N/A	(9)	N/A	100.2%	N/A	7	N/A	142	N/A
Reliable Tank Line	1,677	1,532	1,824	1,658	1,414	1,249	410	409	77.5%	75.3%	32	27	591	493
Robin Hood Container Express, Inc.	0	N/A	1,153	N/A	1,134	N/A	19	N/A	98.4%	N/A	5	N/A	64	N/A
Rocket Express, Inc.	124	107	1,239	1,071	1,238	949	1	122	99.9%	88.6%	30	24	371	263
Rothrock, J.I., Inc.	0	0	3,120	2,930	3,023	2,853	97	77	96.9%	97.4%	75	70	1,232	1,143
S & S Trucking Company	13	0	1,621	1,581	1,503	1,555	118	26	92.7%	98.4%	26	27	468	421
S & W Motor Lines, Inc.	71	0	1,023	1,317	1,285	1,581	(262)	(264)	125.6%	120.0%	36	26	538	445
Sales Carriers, Inc.	577	229	2,294	2,220	2,053	2,429	241	(209)	89.5%	109.4%	37	34	617	593
Security Storage Company, Inc.	197	183	2,425	2,353	2,353	2,169	72	184	97.0%	92.2%	54	57	620	618
Sherman & Boddie, Inc.	406	397	1,942	1,518	1,490	1,278	452	240	76.7%	84.2%	33	28	592	505
SilverEagle Transport, Inc.	N/A	N/A	3,940	N/A	4,048	N/A	(106)	N/A	102.7%	N/A	0	N/A	0	N/A
Smith Transfer Company, Inc.	21	17	2,148	1,934	2,159	1,940	(11)	(6)	100.5%	100.3%	19	23	380	378
Southern Oil Transportation Company, Inc.	1,972	1,222	1,072	1,222	1,029	1,148	43	74	96.0%	93.9%	35	29	461	475
Stacy, D.W. Company, Inc.	0	0	2,478	2,685	2,475	2,592	3	93	99.9%	96.5%	0	0	0	0
Stegall T.G. Trucking Company	0	0	21,930	2,832	21,786	2,739	144	93	99.3%	96.7%	47	45	797	710
Swing Transport, Inc.	2,608	3,122	5,892	4,869	5,383	4,526	509	343	91.4%	93.0%	74	61	1,692	1,326
2800 Corporation	790	963	1,490	1,139	1,464	1,112	26	27	98.3%	97.6%	21	16	471	378
321 Equipment Leasing Company	7	8	872	1,500	883	1,507	(11)	(7)	101.3%	100.5%	25	29	278	467
Tidewater Transit Company, Inc.	1,397	1,550	4,016	3,261	3,540	2,969	476	292	88.1%	91.0%	54	45	1,216	963
Topco Enterprises, Inc.	696	N/A	4,636	N/A	4,671	N/A	(35)	N/A	100.8%	N/A	48	N/A	833	N/A
Transport South, Inc.	258	149	6,349	4,602	5,037	3,781	1,312	821	79.3%	82.2%	4	3	67	38

FIGURE NO. 4 2 CONTINUED

Motor Freight Carriers--Class II
Grouped By Major Type of Products Transported
Calendar Years 1985 and 1986
(Dollars in 000s)

	North Carolina Regulated Revenues		TOTAL COMPANY DATA Revenues		Expenses		Net Operating Income		Operating Ratios		North Carolina Average Number of Employees		North Carolina Total Salaries Paid	
	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985
Turner, Bob M., Inc.	$236	$214	$1,680	$1,508	$1,519	$1,364	$161	$144	90.4%	90.5%	75	75	$250	$204
U A Eastern Freight, Inc.	1,210	823	8,487	3,045	10,510	4,675	(2,023)	(1,630)	123.8%	153.5%	191	101	2,643	903
Unique Express, Inc.	1,317	N/A	2,196	N/A	2,035	N/A	161	N/A	92.7%	N/A	21	N/A	411	N/A
Wallace Trucking Company	63	N/A	1,809	1,846	2,369	2,307	(560)	(461)	131.0%	125.0%	32	32	696	653
Wally Service Company, Inc.	753	N/A	1,255	N/A	1,200	N/A	55	N/A	95.6%	N/A	7	N/A	54	N/A
Warren Transportation Inc. of Va.	0	N/A	4,760	N/A	4,528	N/A	232	N/A	95.1%	N/A	0	N/A	0	N/A
Wendell Trailcourt Corporation	1,959	1,504	2,543	1,904	2,230	1,668	313	236	87.7%	87.6%	37	32	881	595
West Brothers Transfer & Storage	1,625	1,048	2,451	2,996	2,426	3,013	25	(17)	99.0%	100.6%	91	72	1,292	896
Wicker Services, Inc.	1,054	729	1,501	1,081	1,451	1,118	50	(37)	96.7%	103.4%	23	20	752	536
Wilcohauler, A.C., Inc.	3,036	2,968	3,155	2,968	2,831	2,833	324	135	89.7%	95.5%	67	73	1,288	1,158
Williams Cartage Company, Inc.	1,275	237	3,766	4,734	3,973	5,198	(207)	(459)	105.5%	109.7%	17	22	419	533
Wurdler Transport, Inc.	932	672	2,326	1,897	1,874	1,746	452	151	80.6%	92.0%	33	24	647	422
Yarbrough Transfer Company	582	587	2,366	2,013	2,152	1,850	214	163	91.0%	91.9%	33	31	722	630
Yeary Transfer Co., Inc.	59	70	839	815	851	893	(12)	(78)	101.4%	109.6%	0	0	0	0
Yelton Trucking Company, Inc.	126	232	1,339	1,701	1,272	835	67	866	95.0%	49.1%	6	12	123	105
Young Moving & Storage, Inc.	67	37	3,846	3,623	3,839	3,453	7	170	99.8%	95.3%	20	15	227	158
Total	$65,690	$47,790	$329,949	$222,753	$321,489	$216,552	$8,460	$6,201	97.4%	97.2%	3,557	3,266	$63,707	$52,655
Grand Total	$68,742	$50,815	$377,543	$274,379	$365,611	$264,150	$11,932	$10,229	96.8%	96.3%	4,431	4,069	$77,240	$65,550

N/A--Not Available

Grand Total Class II Motor Freight Carriers for:
1986 - 129
1985 - 117

FIGURE NO. 9-3
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1986 AND 1985
(ACTUAL DOLLARS)

	North Carolina Regulated Revenues		Total Company Revenues	
	1986	1985	1986	1985
Mobile Home Movers:				
ACE Transport, Ltd.	$1,068,528	$784,179	$1,113,207	$795,399
Action Freight Lines, Inc.	4,500	5,159	4,500	5,159
Alfred's Mobile Home Movers	77,422	96,315	77,422	96,315
Ashe Lake Garage	1,600	N/A	1,600	N/A
Atlantis Transporters	6,780	1,480	6,780	1,480
B & B Movers, Inc.	61,731	7,152	61,731	7,152
Barbour Mobile Home Movers & Service	82,159	67,082	82,159	67,082
Barnett's Mobile Home Movers	5,837	0	5,837	0
Bass Mobile Home Moving	71,405	64,773	71,405	64,773
Benton, James Edward	300	1,325	300	1,325
Big King Mobile Home Sales	0	2,464	0	2,464
Billy's Home Service	99,119	N/A	99,119	N/A
Bob Mobile Home Transport & Service	109,043	99,466	109,043	99,466
Border's Mobile Home Movers	38,377	39,579	50,891	52,539
Brady, Bill B.	51,888	46,358	51,888	46,358
Bratford, Boyd W., Jr.	89,207	113,380	89,207	113,380
Bryant, Billy, Trailer Moving	65,888	60,953	65,888	60,953
Bryant's Trailer Convoy	60,159	54,587	60,159	54,587
Bullock, Richard Edwin	8,935	8,655	8,935	8,655
Butler Mobile Home Movers	48,828	9,300	48,828	9,300
Canipe's Wrecker Service & Mobile Home Movers	3,720	3,660	3,720	3,660
Cantrell, Charles Assoc., Inc.	215	140	215	140
Carrolls Mobile Home Transport	64,630	65,947	64,630	65,947
Carteret Mobile Home Movers	24,624	25,500	24,624	25,500
Cecil's Mobile Home Service	74,295	N/A	74,295	N/A
Chamber's Mobile Home Movers	10,557	N/A	10,557	N/A
Coats, Lewis C.	173,100	171,058	173,100	171,058
Corkerham, Wallace, Towing, Inc.	32,040	31,020	32,040	31,020
Coley's Welding Service	14,141	8,000	14,141	8,000
Council's Mobile Movers, Inc.	31,332	42,243	31,332	42,243
Cox, James E.	5,835	7,229	5,835	7,229
Daniels Garage	0	3,500	0	3,500
Davidson, R.	100,000	151,494	328,573	190,872
Davis Mobile Home Movers	344,073	296,272	344,073	296,272
Davis, W.L., Mobile Home Movers	25,665	40,432	25,665	40,432
Deerwood Transport, Inc.	14,746	55,000	704,897	571,342
Delivery Services, Inc.	97,050	141,460	97,050	141,460
Denver Mobile Home Moving	95,444	37,482	95,444	37,628
Eastern Mobile Transport, Inc.	181,687	N/A	255,897	293,347
ECE Homes & Transporting	1,040	1,490	1,040	1,490
Ed's Mobile Home Movers	490	N/A	490	N/A
Ed's Used Cars	42,081	N/A	42,081	N/A
Emerson, Phillip M.	5,840	N/A	6,465	N/A
Eric's Mobile Home Service	22,314	12,500	22,314	12,500

FIGURE NO. 9-3 CONTINUED
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1986 AND 1985
(ACTUAL DOLLARS)

	North Carolina Regulated Revenues		Total Company Revenues	
	1986	1985	1986	1985
Evans, Donald, Mobile Home Movers, Inc.	$48,843	$30,922	$48,843	$206,020
Faulkner, John, Motors, Inc.	N/A	$6,167	N/A	$6,167
Frady, James Woodrow	35,328	32,382	35,328	32,382
Frank's Mobile Home Movers	16,749	17,984	16,749	17,984
Gary's Mobile Home Service	0	N/A	0	N/A
Gilbert, Jimmy	8,800	6,610	8,800	6,610
Glover Sales, Inc.	150	607	150	607
Grandpap Mobile Home Service	106,887	117,726	106,887	117,726
Hall's Mobile Home Movers	14,888	17,935	14,888	17,935
Hamrick, J. Austin	7,282	12,731	7,282	12,731
Hamrick Mobile Homes, Inc.	5,415	2,755	5,415	2,755
Harris Mobile Home Movers	750	N/A	750	N/A
Heritage Homes, Inc.	31,790	47,505	31,790	47,505
Herman, Ray L.	22,171	16,935	22,171	16,935
Herring Mobile Home Movers	5,814	N/A	5,814	N/A
J. & D. Mobile Home Service	0	N/A	0	N/A
J. & R. Mobile Home Moving & Repair Co.	58,893	104,996	58,893	104,996
Jack's Mobile Home Service	23,149	20,979	23,149	20,979
Jay's Mobile Home Moving & Repair Service	4,670	N/A	4,670	N/A
Johnny Mobile Home Service of Asheville	18,526	20,526	18,526	20,526
Johnson Mobile Home Service	18,103	19,056	18,103	19,056
Johnson, Jerry, Mobile Home Movers	3,383	2,003	3,383	2,003
Joyful Homes, Inc.	18,000	N/A	18,000	N/A
L. B. Transport, Inc.	6,078	400	6,078	400
Lamb's Mobile Home Movers	15,350	11,000	15,350	11,000
Laughinghouse, Charles C., Mobile Home Movers	164,986	54,640	164,986	100,549
Lee Mobile Home Service	12,500	N/A	12,500	N/A
Lewis, Joe, Mobile Home Moving & Service, Inc.	66,870	45,847	66,870	45,847
Lorraine Transporters	15,103	8,333	15,103	8,333
Lower Creek Mobile Homes	21,560	19,250	21,560	19,250
Lynn, Garland, Mobile Home Movers	87,508	N/A	87,508	N/A
M & M Movers	24,398	20,000	24,398	20,000
McCreary's Mobile Home Towing	31,855	34,460	31,855	34,460
McLaurin's Mobile Home Service	15,625	28,300	15,625	28,300
McMahan Mobile Home Movers	113,309	108,626	113,309	108,626
Maness, Walter Clyde	3,600	3,015	3,600	3,015
Master Mobile Home Movers, Inc.	60,836	49,173	60,836	49,173
Minton, Edwin	164,986	43,732	164,986	43,732
Mobile Home Sales & Repair	134,021	54,998	134,021	54,998
Mobile Home Movers, Alan McChesney Brown	26,500	0	26,500	0
Mobile Maintenance, Inc.	30,913	N/A	30,913	177,189
Mobile Movers of North Carolina	0	N/A	0	N/A
Moncure, Henry, Motors, Inc.	516	1,257	516	1,257
Moore's Mobile Manor and Service	84,930	33,450	84,930	33,450
North Raleigh Mobile Home Supply	N/A	42,470	N/A	42,470

FIGURE NO. 9-3 CONTINUED
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1986 AND 1985
(ACTUAL DOLLARS)

	North Carolina Regulated Revenues		Total Company Revenues	
	1986	1985	1986	1985
P & G, Inc.	$267,365	$196,295	$267,365	$196,295
P & Y Mobile Homes, Inc.	8,482	840	8,482	840
Patterson, Ralph K.	1,010	879	1,010	879
Paul, Charles	88,415	98,919	88,415	98,919
Person's Mobile Home Movers	96,534	92,123	96,534	92,123
Piedmont Mobile Home Movers	10,000	10,000	10,000	10,000
Pinebluff Mobile Home Park	6,275	1,450	6,275	1,450
Pippin, Herbert J.	19,057	N/A	19,057	N/A
Pop's Trailer Towing Co., Inc.	178,665	167,392	178,665	167,392
Potter's Mobile Home Service	33,696	55,604	33,696	55,604
Price, Harold Maxton, Mobile Home Movers	14,200	14,240	14,200	14,240
Quality Mobile Home Sales of Godwin	5,237	N/A	5,237	N/A
R. W. Mobile Home Movers	65,418	44,300	65,418	44,300
Ratley's Mobile Home Sale & Service	5,344	3,183	5,344	3,183
Rice's Mobile Home Service	6,850	7,568	6,850	7,568
Rick's Trailer Park	26,433	23,737	26,433	23,737
Ridgeway Mobile Home Transporters, Inc.	0	N/A	0	N/A
Riverside Mobile Home Movers	64,263	1,727	64,263	1,727
Ronald's Trailer Transport	50,147	45,804	69,465	62,248
Rorers Mobile Home	0	17,216	0	17,216
S & H Mobile Home Movers	0	18,678	0	18,678
S & M Mobile Home Movers	5,460	N/A	5,460	N/A
Sloop Welding Service	60,785	10,703	60,785	10,703
Smith, Larry M., Trucking Inc.	13,062	17,063	13,062	17,063
South West Mobile Home Transport	23,375	N/A	23,375	N/A
Southern Mobile Home Services, Inc.	60,466	N/A	60,466	N/A
Spruill, Norman Arlington	40,560	42,345	45,675	47,810
Statewide Mobile Home Movers	950	N/A	950	N/A
Starling's Mobile Home Service	6,453	18,000	6,453	18,000
Stevenson, R.L.	6,099	9,357	6,099	9,357
T & W Mobile Home Movers, Inc.	87,229	17,853	87,229	17,853
Tarheel Wheel & Axle, Inc.	177,184	243,779	177,184	243,779
Tom's Mobile Homes	6,724	N/A	7,529	N/A
Tommy's Garage	275	0	275	0
Upchurch Mobile Home Service & Transporting Co.	6,113	N/A	6,113	N/A
Village Homes of the Pamlico, Inc.	4,639	4,122	4,639	4,122
Williamson Mobile Home Transit	24,690	243,335	24,690	243,335
Wilson Enterprises, Inc.	192,377	180,084	192,377	180,084
Wingler Mobile Home Moving	14,791	N/A	14,791	N/A
Wood Mobile Home Movers	6,400	7,000	6,400	7,000
Total	$6,532,883	$5,187,060	$7,608,674	$6,482,888

FIGURE NO. 9-3 CONTINUED
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1986 AND 1985
(ACTUAL DOLLARS)

	North Carolina Regulated Revenues		Total Company Revenues	
	1986	1985	1986	1985
Household Goods Movers:				
A-1 Moving & Storage, Inc.	$57,096	$54,074	$566,933	$395,570
AAA Spruill Moving & Storage	9,085	33,226	32,141	66,461
AAA Storage Company, Inc.	8,950	14,382	605,350	613,478
ABC Moving & Storage, Inc.	251,960	203,603	699,301	702,410
ACE Moving & Storage Company	0	0	0	91,791
ACE World Wide Moving & Storage of Raleigh	3,678	N/A	471,603	N/A
Abernethy Transfer & Storage Co., Inc.	166,295	31,531	170,884	187,419
Acme Movers & Storage Co., Inc.	18,554	21,290	283,810	299,073
Affiliated Services	62,382	14,073	1,029,733	108,661
Alamance Transfer & Storage Co., Inc.	0	N/A	0	N/A
All American Movers of Goldsboro, Inc.	826	0	127,392	76,553
All American Moving & Storage, Inc.	49,095	37,800	523,244	369,688
All States Moving & Storage Co., Inc.	8,430	18,085	685,140	670,349
Allen's Moving & Storage, Inc.	6,499	2,704	235,357	230,791
Allen's Moving Service of Fayetteville, Inc.	0	0	170,366	198,174
Alternative Moving Systems	52,412	51,518	514,405	444,619
American Distribution Systems, Inc.	19,623	3,478	265,798	315,606
American Relocation Services, Inc.	0	955	0	955
Asheville Transfer & Storage, Inc.	137,652	96,525	595,004	564,826
Atlantic Pacific Van & Storage, Inc.	161,611	111,067	161,611	117,955
B & W Local Moving, Inc.	0	0	284,561	255,751
Baker, Tom, Express	522,665	648,185	777,748	835,090
Bartlett, Jack, Moving & Construction	9,957	11,840	43,883	44,213
Betts, Shirley Edward	6,283	2,721	N/A	N/A
Branch Moving & Storage Co.	14,217	19,048	N/A	N/A
Brevard Moving & Storage Co., Inc.	20,289	107,064	235,131	208,694
Bright's Transfer, Moving & Storage	0	0	11,568	14,262
Brigman Transfer Company	0	19,974	0	38,147
Burks Moving & Storage, Inc.	49,429	29,372	512,484	396,356
Byers, Samuel Augusta	48,000	43,212	72,151	57,472
Campbell's Transfer	0	0	60,521	30,732
Capitol Van Lines, Inc.	19,665	25,838	258,072	267,973
Cardinal Moving & Storage, Inc.	77,416	122,940	1,031,228	993,712
Cashion Moving & Storage, Inc.	49,005	65,047	220,474	220,192
Center Line, Inc.	21,650	5,180	343,646	69,082
Central Warehouse Co. of Durham, Inc.	0	0	377,796	389,840
Champion Transfer Co.	14,568	14,230	14,568	14,230
Christian Moving Co., Inc.	0	N/A	158,361	N/A
City Transfer & Storage Company of Fayetteville, Inc.	0	120	24,730	41,841
Coastal Moving Co., Inc.	11,323	10,549	443,349	432,228
Coley Moving & Storage, Inc.	227,074	289,546	722,870	697,722
Crown Moving & Storage, Inc.	15,581	14,077	439,632	406,375
Custom Moving & Storage, Inc.	8,831	4,422	409,474	368,950
David's Econo Move, Inc.	N/A	N/A	407,110	341,647

FIGURE NO. 9-3 CONTINUED
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1986 AND 1985
(ACTUAL DOLLARS)

	North Carolina Regulated Revenues		Total Company Revenues	
	1986	1985	1986	1985
Dawson-Joyce Moving & Storage, Co.	$6,948	$5,883	$370,348	$429,526
DeHaven's Transfer & Storage of Greensboro, Inc.	73,172	29,348	774,801	708,125
Dehaven's Transfer & Storage of Raleigh, Inc.	101,402	63,297	780,838	366,429
Denham Moving & Storage, Inc.	92,683	40,196	157,677	207,605
Dixie Moving & Storage Company, Inc.	8,665	504	576,600	691,381
Dunmar Moving Systems	211,976	90,366	887,832	744,074
East, The Spencer Moving Corp.	35,023	18,112	35,023	18,112
Farrar Transfer & Storage Warehouse, Inc.	103,566	104,977	454,538	470,939
Fayetteville Moving & Storage, Inc.	51,735	43,000	1,352,999	1,012,000
Fidelity Moving & Storage Co., Inc.	84,452	68,125	695,679	648,901
Fleming-Shaw Transfer & Storage, Inc.	56,099	59,533	782,687	757,866
Four Seasons Moving Company	51,556	58,228	147,837	144,574
Fox Brothers	29,250	30,610	148,687	119,530
Gasperson Transfer, Inc.	31,706	30,512	189,033	163,266
Gilbert Trucking Co.	89,344	51,109	196,222	148,435
Goldsboro Van & Storage, Inc.	6,618	2,885	171,042	167,030
Grady's Moving & Delivery Service, Inc.	15,113	N/A	204,985	N/A
Graebel/North Carolina Movers, Inc.	0	66,578	0	589,402
Greenwood Transfer & Storage Company, Inc.	2,500	3,000	19,073	49,686
Griffin Transfer & Storage Co., Inc.	103,616	87,801	183,782	174,048
Grose, J.R., Transfer Company	N/A	38,122	N/A	38,122
Halls Transfer	24,585	36,209	73,847	80,134
Harrison Moving & Storage, Inc.	52,477	72,272	208,712	186,682
Harvel's, Cliff, Moving Company	16,914	14,202	110,072	69,550
Hester Transfer & Storage, Inc.	0	0	18,450	22,013
Highland Moving & Storage Co., Inc.	0	4,059	261,599	326,990
Hill, I.H., Transfer & Storage	1,631	3,896	36,051	151,536
Hood Moving & Storage, Inc.	0	0	0	0
Hoyle Transfer & Storage	39,682	0	156,849	0
Humphrey, David Charles	3,374	3,643	3,374	3,643
Humphrey, Troy, Moving & Storage, Inc.	938	1,082	347,390	397,453
Isenhower Transfer & Storage Co., Inc.	0	37,414	0	243,760
Jones, Henderson, Transfer	14,310	18,248	14,310	18,248
Keever Moving Service, Inc.	0	0	36,721	27,373
Kepley Moving & Storage, Inc.	10,159	12,001	73,750	75,488
Kinston Moving & Storage, Inc.	16,552	11,193	71,542	56,442
Klink Transfer & Storage	11,757	16,360	115,080	153,921
Ladd, J.E. & Son	83,525	66,541	83,525	66,541
Long Transfer, Inc.	61,183	55,683	152,483	138,745
McCauley Bros. Moving & Storage, Inc.	52,247	11,271	258,632	279,458
McCauley Moving & Storage of Fayetteville, Inc.	52,422	59,861	509,944	494,609
Manly Ray Moving	35,202	33,349	35,202	33,349
May Moving of Goldsboro, Inc.	3,087	9,094	661,841	517,915
Merchants Moving & Storage, Inc.	7,717	7,526	342,100	348,833
Morehead Moving & Storage	9,231	31,262	167,843	201,896

FIGURE NO. 9-3 CONTINUED
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1986 AND 1985
(ACTUAL DOLLARS)

	North Carolina Regulated Revenues		Total Company Revenues	
	1986	1985	1986	1985
Move-It Company	$32,480	$21,168	$171,295	$160,018
Murray Transfer & Storage Co., Inc.	68,574	50,996	927,702	493,729
Neptune W.W. Moving, Inc.	0	35,163	0	128,805
No-Name Movers	16,852	N/A	381,902	N/A
North American Transfer & Storage of Asheville, Inc.	23,456	0	468,979	0
Owens, W.W. & Sons, Moving & Storage, Inc.	73,111	62,505	738,074	804,940
Pannell, Willie Neal	12,634	12,828	12,634	12,828
Patterson Storage Warehouse Co., Inc.	93,612	91,976	1,048,047	993,770
Piedmont Home Delivery & Service Co.	45,422	60,731	45,422	60,731
Piedmont Van & Storage Co., Inc.	8,295	12,481	813,382	835,670
Port City Transfer & Storage Company	19,205	17,909	119,097	124,015
Queen City Moving & Storage	62,315	45,354	741,702	791,692
Raleigh Bonded Warehouse, Inc.	36,516	28,167	163,184	157,645
Raleigh Furniture Storage Co., Inc.	84,573	75,555	347,336	400,730
Reliable Van & Storage Co., Inc.	6,301	6,250	676,794	660,248
Russell Transfer Co., Inc.	109,228	136,994	644,075	631,258
Salisbury Moving & Storage	57,871	75,800	130,591	75,800
Sandhills Bonded Warehouse, Inc.	25,441	24,673	128,565	153,899
Sanford Transfer & Storage Co.	4,991	10,987	28,889	41,975
Seaboard Moving and Storage, Inc.	0	0	713	880
Sells Service, Inc.	73,148	132,902	335,769	395,795
Service Moving & Storage	13,177	13,706	775,414	715,778
Sheets Transfer & Storage Co., Inc.	157,836	141,308	904,690	871,193
Smith Dray Line & Storage Co. of N.C., Inc.	94,052	94,529	767,872	747,214
Smith Transfer & Storage	5,888	5,479	14,315	16,031
Smith, Elton C. Jr., Moving Co.	71,075	66,045	97,532	90,764
Smith, W.E., Moving Company, Inc.	0	0	124,380	111,410
Staley Moving Vans	7,394	4,849	15,751	15,682
Standard Moving & Storage of Goldsboro, Inc.	814	3,834	272,933	231,541
State Moving & Storage, Inc.	5,015	8,858	225,637	285,187
Sunbelt Moving Systems, Inc.	119,576	147,064	867,738	601,784
Superior Delivery Service, Inc.	0	0	394,244	261,688
Tarheel Moving & Storage, Inc.	47,206	51,724	375,903	360,556
Terminal Storage Company, Inc.	8,900	8,207	387,085	333,862
Thomas Transfer, Inc.	2,410	223,525	228,556	223,525
Tri-City Moving & Storage, Inc.	196,836	95,487	196,836	947,975
Tryon Moving & Storage, Inc.	196,836	139,600	196,836	139,600
Turner's Moving Service	0	0	57,395	51,146
Union Transfer & Storage Company, Inc.	99,945	107,750	763,027	877,265
Watson Moving & Storage, Inc.	57,749	62,658	248,350	241,449
Welch Moving & Storage Co., Inc.	130,860	110,497	1,352,090	1,231,592
West's Durham Transfer & Storage Company, Inc.	33,195	15,610	241,880	233,514
Whitley, Abe, Moving & Storage, Inc.	N/A	61,523	N/A	960,363

FIGURE NO. 9-3 CONTINUED
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1986 AND 1985
(ACTUAL DOLLARS)

	North Carolina Regulated Revenues		Total Company Revenues	
	1986	1985	1986	1985
Wile Transfer & Storage Company, Inc.	$7,336	$10,983	$419,279	$349,232
Williams, R.M., Moving Service	60,423	58,311	102,166	102,878
Williams Transfer & Storage, Inc.	63,660	63,245	213,529	200,008
Willis Moving & Storage, Inc.	12,637	23,220	122,396	224,898
Wilmington Oil & Moving Service, Inc.	98,915	118,049	189,999	120,550
Wright Motor Lines, Inc.	43,536	0	211,745	150,994
Total	$6,172,314	$6,063,428	$43,549,164	$40,744,625
General Freight Carriers:				
A-1 Wrecker Service of Chatham Co., Inc.	$8,610	$7,349	$163,461	$148,377
A & J Motor Lines, Inc.	164,456	165,741	164,456	165,741
ACME, Inc.	242,322	230,442	242,322	230,442
AHJ Transportation Services, Inc.	16,191	0	64,763	0
AJS Trucking Company	640,912	445,451	640,912	445,451
Airport Ground Transportation Services	500	0	811,658	630,989
Alexander Trucking of Davidson, Inc.	147,540	124,155	147,540	124,155
Alford, Cliff, Trucking, Inc.	0	40,531	289,930	289,000
All Ohio Trucking Co.	0	0	0	0
Allen Realty Company, Inc.	0	0	0	0
Alfred Boat Transport	3,676	N/A	12,733	N/A
Ammons Trucking Company	64,535	54,656	64,535	54,656
Anthony's Cargo Express, Inc.	184,310	156,271	312,536	335,679
Armored Protective Service, Inc.	239,313	251,780	239,313	251,780
Arndt Trucking, Inc.	219,422	290,307	219,442	290,307
Atlantic Oil Service, Inc.	6,525	15,200	6,525	15,200
Ausley, Cecil Thomas	204,863	214,799	204,863	214,799
B & B Lines, Inc.	130,698	88,150	418,509	330,743
B & C Trucking Co., Inc.	95,100	80,433	95,100	80,433
B & P Trucking	69,420	47,673	69,420	47,673
B & W Grain & Feed Service, Inc.	95,592	100,624	366,495	419,774
B-Freight Lines, Ltd.	114,172	98,245	219,586	167,654
BHL Transport, Inc.	0	0	0	407,697
BRT Transport, Inc.	12,461	6,418	54,920	31,097
Baker, Johnie Royster	6,334	6,682	6,334	6,682
Baker's Delivery Service	71,235	66,917	71,235	66,917
Barco Pickup & Delivery	26,940	17,812	26,940	17,812
Barnes, J.A. and Son, Inc.	N/A	0	N/A	97,986
Beasley Transport, Inc.	0	0	151,768	145,776
Beasley, Valton	82,742	63,561	82,742	63,561
Beeline Carriers, Inc.	238,444	238,064	238,444	238,064
Bell Truck Line	19,719	15,425	136,995	86,154

FIGURE NO. 9-3 CONTINUED
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1986 AND 1985
(ACTUAL DOLLARS)

	North Carolina Regulated Revenues		Total Company Revenues	
	1986	1985	1986	1985
Best Cartage, Inc.	$2,560	$748	$363,331	$139,153
Best Way Motor Lines	0	0	892,257	958,159
Bestway Express, Inc.	669,146	546,989	1,823,910	546,989
Blevins Motor Express	63,028	64,577	63,028	82,845
Blount Transit, Inc.	126,760	N/A	126,760	N/A
Blue-Bird Diamond Taxi Assoc.	42,907	79,281	42,907	79,281
Blue Ox Distribution Company, Inc.	0	N/A	0	N/A
Blue Wing Trucking	2,427	N/A	2,442	N/A
Boatwright, Clyde	N/A	50,417	N/A	50,417
Bostick, James Richard	0	0	63,671	56,693
Bre-Dav Transportation, Inc.	250	4,902	359,196	286,879
Breeze Transportation, Inc.	N/A	54,915	N/A	54,915
Brendle's Transportation, Inc.	405,925	362,904	477,559	426,945
Bridgeways Co., Inc.	0	0	0	0
Bright,Thomas A.	0	N/A	39,406	N/A
Bright Belt Motor Lines	10,967	11,432	631,144	579,431
Broglin's Delivery Service	86,770	72,609	86,770	72,609
Brookshire Express Services	34,915	53,648	130,300	80,483
Brothers Delivery Company, Inc.	32,860	28,653	74,335	63,139
Brown Oil & Transit Co., Inc.	233,521	236,792	233,521	236,792
Bryant Brothers, Inc.	12,511	4,356	304,662	10,375
Bryson Machinery Movers & Riggers, Inc.	113,888	76,915	113,888	76,915
Buckhorn Trucking Co., Inc.	0	N/A	0	N/A
Bud's Trucking	23,310	23,625	23,310	23,625
Burgess Tranport, Inc.	189,538	57,988	3,446,152	161,077
C.N. Trucking Co.	8,435	N/A	8,435	N/A
C.S. Transport	790,344	465,194	1,000,435	877,724
CLP Enterprises, Inc.	1,879,097	141,162	2,210,702	941,080
CSC Erectors, Inc.	736,538	630,338	736,538	630,338
Camp Trucking, Inc.	0	0	1,677,857	1,591,902
Campbell Trucking, Inc.	46,689	69,551	162,529	135,370
Cardel Corporation	N/A	176,780	N/A	176,720
Carolina Carriers, Inc.	1,131,057	1,100,223	1,131,057	1,100,223
Carolina, Cartage & Associates	410,651	176,099	410,651	269,238
Carolina Haulers, Inc.	326,650	261,788	326,650	261,788
Carolina Movers & Riggers, Inc.	36,392	69,000	36,392	69,000
Carolina Relocation Services, Inc.	16,431	0	284,266	0
Carolina Storage Corp.	150,062	210,785	288,661	346,321
Carolina Taxi & Industrial Transportation, Inc.	11,598	11,994	19,393	17,352
Carpenter Trucking Co., Inc.	328,045	317,176	611,931	522,681
Carr Transport, Inc.	267,268	269,439	267,268	269,439
Cary Oil Co., Inc.	2,294,797	1,588,649	2,310,471	1,599,848
Cason Companies, Inc.	9,284	3,161	232,895	191,401
Caustic Soda Transportation Co.	215,420	274,991	609,226	694,548
Cauthen Gin & Bag Company, Inc.	172,238	192,548	604,020	666,001

FIGURE NO. 9-3 CONTINUED
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1986 AND 1985
(ACTUAL DOLLARS)

	North Carolina Regulated Revenues		Total Company Revenues	
	1986	1985	1986	1985
Cedar Hills Trucking, Inc.	$0	N/A	$140,185	N/A
Cencar Services, Inc.	383,919	215,848	383,919	215,848
Central Feeds, Inc.	0	0	543,493	356,166
Champion International Corporation	32,374	21,720	116,275	87,208
Champion Storage & Trucking Co., Inc.	0	0	12,129	0
Charlotte Bay Trading Company	361,140	191,120	962,579	651,625
Charlotte Merchants Delivery, Inc.	0	4,000	0	4,000
Charlotte Transportation Co., Inc.	471,342	482,186	471,342	482,186
Chatham Trucking Company	0	N/A	65,557	N/A
Christie, Craig L.	103,385	93,030	103,385	93,030
Citizen Express, Inc.	399,196	153,586	656,331	620,708
Clark, J.B. III.	130,645	42,060	689,173	461,081
Clark, Osker A.	178,352	171,136	178,352	171,136
Coachman, Eric	56,907	37,946	56,907	37,946
Coca Cola Bottling Company Consolidated	0	0	0	0
Collins Trucking Company	202,405	195,617	202,405	195,617
Columbus Motor Lines, Inc.	9,600	481,287	681,760	621,776
Commercial Warehouse, Inc.	114,145	128,056	114,145	128,056
Continental Freight Systems, Inc.	0	0	0	0
Cook & Son's Inc.	48,880	58,660	454,555	424,782
Cook Transfer & Storage	130,243	42,047	130,243	42,047
Cooley Transport, Inc.	136,019	58,364	417,235	389,092
Cotton Growers Warehouses, Inc.	92,069	151,297	141,645	220,583
Council, Artice Lee	25,710	0	25,710	0
Council, Jimmie	15,000	17,250	15,000	17,250
Crawford Deliveries,Inc.	111,811	128,026	111,811	128,026
Cromartie Transport Co., Inc.	570,637	569,984	733,243	778,308
Culberson Motor Lines, Inc.	266,972	191,251	982,618	921,228
Custom Freight, Inc.	8,881	21,800	56,756	59,506
D & N Motors	0	0	25,995	4,720
DAC Leasing CO., Inc.	901,227	N/A	905,227	N/A
Daily Delivery Service	161,727	132,691	161,727	132,691
DanCo Delivery Service	0	N/A	14,960	N/A
Daniel-Keck Taxi Co., Inc.	0	0	0	0
Davis Transportation	6,798	25,594	6,798	25,594
Dependable Feed Service, Inc.	92,210	91,143	92,210	91,143
Direct Express Courier Services, Inc.	233,241	0	1,612,157	0
Dixon Trucking Co., Inc.	0	0	0	363,157
Doug's Mobile Home Towing	423,577	368,646	855,740	797,944
Douglas, J.W.	64,785	N/A	64,785	N/A
E & B Corporation	0	0	0	0
East Carolina Cartage Company, Inc.	152,385	181,997	503,797	576,421

FIGURE NO. 9-3 CONTINUED
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1986 AND 1985
(ACTUAL DOLLARS)

	North Carolina Regulated Revenues		Total Company Revenues	
	1986	1985	1986	1985
Eastern Courier Corporation	$110,610	$98,220	$442,442	$392,879
Eastern Delivery Service, Inc.	200,000	200,000	326,377	400,000
Eastern Waste Paper Co.	10,755	N/A	72,098	N/A
Economy Transport, Inc.	43,494	75,727	43,494	75,727
Eggleston, Gorris, Oil Transplant, Inc.	0	0	0	0
Eller, Sam D., Motor Carrier, Inc.	0	0	0	0
English Trucking Co.	71,156	N/A	101,421	N/A
Erwin Oil Co.	0	0	0	0
Essick, Ike C.	27,735	29,855	157,265	140,445
Eure Trucking, Inc.	0	0	6,118	0
Evans, Charles	86,000	92,307	86,000	92,307
Exemptco of Surry Co.	152,000	N/A	152,000	N/A
Faison's Delivery Service	64,934	51,579	64,934	51,579
Farmers Oil Company, Inc.	0	0	0	0
Federal Motor Express, Inc.	353,558	262,817	353,558	262,817
Federated Transport, Inc.	0	18,276	0	18,276
First Express	29,950	N/A	29,950	N/A
Fleetwood Express, Inc.	104,130	N/A	187,590	N/A
Foothills Trucking Co., Inc.	0	0	841,461	811,210
Ford's Contracting Services	6,604	14,482	14,518	N/A
Fowler, M.M., Inc.	461,138	404,168	461,188	404,168
Freeman Contract Carrier Services, Inc.	45,162	34,766	460,840	386,296
Freight Shuttle, Inc.	0	0	3,403,832	808,296
Freightways, Inc.	154,610	743,460	333,932	1,770,144
Fuel Oil Service Co., Inc.	63,457	79,027	63,457	79,027
Fuller, Thurston A. & Edith J.	61,595	22,618	61,595	22,618
Gardner-Creech Oil Company, Inc.	0	0	0	0
Gate City Delivery Service	8,758	14,073	8,758	14,073
Gelco Distribution Services, Inc.	225,585	164,490	4,062,323	405,445
Gibson, John Louie	0	9,244	0	9,244
Gilbert Transfer Company	289,415	253,952	523,479	443,659
Glover, James H., Trucking, Inc.	9,308	17,086	48,008	56,686
GOCO Transportation, Inc.	85,000	0	85,000	59,623
Godwin Transport Co., Inc.	0	0	0	0
Graham, Garland R.	38,612	22,885	38,612	22,885
Grant's Trucking Service, Inc.	0	0	664,109	1,151,222
Granvillle House, Inc.	600	0	600	0
Great Southern Express	0	N/A	0	N/A
Greene Haulers, Inc.	109,326	79,390	109,326	79,390
Greystone Freight Systems, Inc.	0	N/A	142,977	N/A
Guignard, L.B., Inc.	0	0	797,990	923,018
Gupton, Donald L.	0	0	116,001	111,001
H I T	162,200	9,254	166,780	28,832
Haigler Trucking Company	143,880	76,070	599,226	663,191
Hallport, Inc.	0	N/A	0	N/A

FIGURE NO. 9-3 CONTINUED
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1986 AND 1985
(ACTUAL DOLLARS)

	North Carolina Regulated Revenues		Total Company Revenues	
	1986	1985	1986	1985
Harris, William Lester	$132,481	$132,502	$132,481	$132,502
Hedrick Trucking Co., Inc.	0	N/A	0	N/A
Helms, Paul Ray	0	N/A	0	N/A
Hendrix, T.C. Jr.	0	0	0	0
Hickory Merchants Delivery	186,567	159,998	186,567	159,998
High Point Delivery Company, Inc.	40,906	43,165	40,906	43,165
Highland Trucking Co., Inc.	0	N/A	0	N/A
Hill-Top Transport, Inc.	0	137,732	0	150,474
Hodges, Ed F., Inc.	0	0	164,999	165,571
Holland Transfer Co.	185,676	136,190	827,129	706,661
Hollowell Transportation Co., Inc.	0	0	0	0
Holt, H.R.	232,837	195,720	232,837	195,720
Honeycutt, J. B., Company, Inc.	575,000	518,909	575,000	518,909
Hooker & Hollowell Oil Co., Inc.	0	0	0	0
Hopkins, D.O., Trucking, Inc.	0	15,154	0	17,978
Hopper Bros., Inc.	3,234	18,539	3,234	18,539
Houser Trucking	0	N/A	0	N/A
Howell Transfer Co., Inc.	51,773	36,521	369,810	263,318
Hughes Trucking	N/A	19,609	N/A	19,609
Hunt's Trucking Co.	3,390	N/A	3,390	N/A
Industrial Asphalt Transport, Inc.	109,003	183,799	503,968	656,987
Inman, Gene, Trucking, Inc.	281,966	201,833	451,458	273,096
Interstate Cartage Co., Inc.	0	17,199	934,864	1,235,932
Ivey, Richard Jr., Trucking	77,153	43,764	77,153	43,764
Jackson, Stacy W., Trucking	70,932	80,338	70,932	80,338
Jackson Trading Company, Inc.	0	0	223,188	185,038
Jenkins, J.W., Inc.	184,038	166,040	184,038	166,040
Jennings Trout Farm	N/A	1,301	N/A	1,301
Jet Express Delivery, Inc.	10,952	3,469	10,952	3,469
Jiffy Express Co.	2,473	315,233	2,473	350,259
John's Auto Repair, Inc.	130,454	109,169	453,120	429,836
Johnny's Transfer Co., Inc.	299,483	458,886	656,590	625,185
Johnson, James Walter	77,708	55,770	77,708	55,770
Johnson Truckers Amtruc, Inc.	0	0	0	161,475
Jones Transfer, Inc.	17,269	22,415	102,485	172,875
Jones, Raymond E., Trucking Co.	62,015	N/A	62,015	N/A
K.B.D. Services, Inc.	261,124	165,522	261,124	165,522
Kendall Trucking & Grading	24,723	22,242	426,849	414,330
Kindle's Pickup and Delivery Service, Inc.	385,538	284,408	385,538	284,408
King, Neb, Inc.	2,160	4,300	2,160	4,300
LDF., Inc.	0	205,548	1,404,463	758,811
L.R.C. Truck Line, Inc.	16,325	N/A	N/A	N/A
L.U. Carriers, Inc.	0	0	687,073	600,836
Land-Link, A Division of Europa Auto Search, In.c Inc.	0	8,257	791,770	43,823

FIGURE NO. 9-3 CONTINUED
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1986 AND 1985
(ACTUAL DOLLARS)

	North Carolina Regulated Revenues		Total Company Revenues	
	1986	1985	1986	1985
Lawndale Transportation Company	$49,502	$57,887	$49,502	$57,887
Lee, Husel G.	52,857	50,320	52,857	50,320
Lewis & Lewis Trucking Co.	307,740	282,582	307,740	282,582
Lewis Storage Company, Inc.	18,769	N/A	76,671	N/A
Liberty Trucking	85,457	59,119	85,457	59,119
Lockwood Brothers, Inc.	0	0	503,303	143,066
Long Leaf Wood Products, Inc.	N/A	71,614	N/A	71,614
Long Transportation Services, Inc.	159,364	6,240	201,709	6,240
Lovette Company	390,755	344,490	390,755	344,490
Loving, T.A., Company	62,501	97,508	62,501	97,508
Lumberton Masonary Co.	143,808	3,302	300,458	176,792
Lumbee Trucking Co., Inc.	498,398	407,038	1,092,477	916,413
MCB Trucking, Inc.	0	N/A	0	N/A
McCotter, J.D., Sr.	15,600	14,143	78,935	42,429
McKinney, James Garland	0	0	3,618	2,962
McKoy, Warren	N/A	37,371	N/A	37,371
McLeod Trucking & Rigging Co., Inc.	42,865	21,216	197,417	263,306
Macon, Robert L.	279,058	92,658	414,751	212,225
Mangum, C.C. Inc.	117,518	87,688	301,327	125,268
Marco-Pascal Co.	15,130	0	63,439	0
Marshall, E.F.	50,956	67,495	50,956	67,495
Marshall, Sherman W.	74,176	52,767	74,176	52,767
Martin, Roger E., Inc.	3,260	69,998	936,898	753,249
Martin, W. M., Company, Inc.	0	738	0	738
Maxton Oil & Fertilizer Company	0	0	0	0
Media Express, Inc.	165,572	170,043	479,739	691,102
Metro Transport	N/A	62,191	N/A	81,707
Metrolina Courier, Inc.	39,684	N/A	39,684	N/A
Mickel, David Jessie, Trucking	0	0	307,637	270,000
Mid-State Delivery Service, Inc.	201,529	837,927	201,529	837,927
Mid-State Service Co.	76,855	73,862	76,855	73,862
Mills, Leroy, Trucking	14,380	N/A	14,380	N/A
Mini-Haul, Inc.	112,034	145,574	112,034	145,574
Mitchell, Cyrus A., Jr.	1,258	707	1,258	707
Mitchell Express, Inc.	40,785	43,184	40,785	43,184
Mooresville Oil Co.	0	0	0	0
Morgan, Garrett, Trucking, Inc.	20,933	N/A	115,996	N/A
Morgan Trucking, Inc.	248,483	123,923	1,849,351	977,018
Morven Freight Lines, Inc.	405,064	51,063	700,832	611,340
Mountain River Trucking Company, Inc.	7,861	N/A	58,254	N/A
Mullen's, Henry, Trucking	302,000	365,557	302,000	365,557
Mullis, Brandon L., Inc.	19,660	24,800	25,819	37,273

FIGURE NO. 9-3 CONTINUED
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1986 AND 1985
(ACTUAL DOLLARS)

	North Carolina Regulated Revenues		Total Company Revenues	
	1986	1985	1986	1985
N.C. Transport, Inc.	$100,937	$126,442	$994,564	$1,047,420
Neuse Transport	367,661	280,155	378,445	285,799
New-Con Transportation, Inc.	49,664	N/A	175,010	N/A
Newsom Transports, Inc.	218,415	144,613	218,415	144,613
Nichols, A.T., Trucking Co.	369,879	311,546	369,879	311,546
Non-Stop Carrier	N/A	298,494	N/A	298,494
Nordan Transportation Co., Inc.	70,032	33,864	70,032	33,864
Norris, Elwood, Inc.	0	0	110,046	102,503
Norris, Larry, Trucking	N/A	52,256	N/A	52,256
Northside Storage Company	88,539	93,988	88,539	93,988
North State Transport	0	N/A	0	N/A
Odum, Ernest	15,291	N/A	44,204	N/A
Ormond, W.W., Transfer Co., Inc.	130,324	146,821	130,324	146,821
Owens & Minor, Inc.	68,223	48,532	364,768	292,624
PDC Trucking	71,377	58,518	229,722	218,257
Pacemaker Corporation	0	0	0	0
Package Delivery, Inc.	164,450	446,462	641,580	811,352
Package Delivery Service of Durham, N.C.	53,068	48,050	53,068	48,050
Parker, Donald C.	N/A	$0	N/A	$37,939
Pelican Air Pak, Inc.	0	N/A	256,000	N/A
Perry, Stanley K.	58,000	78,000	58,000	78,000
Perry's Transfer	0	0	0	0
Perry & Turner Trucking Co., Inc.	77,915	N/A	1,122,529	N/A
Person's Mobile Home Movers	96,534	0	96,534	0
Petroleum Transport Company, Inc.	706,205	449,992	749,246	461,930
Pickup & Delivery Service, Inc.	564,503	563,959	644,503	605,957
Piedmont Delivery Service	0	0	56,091	70,962
Piedmont Mobile Home Movers, Inc.	0	N/A	0	N/A
Piedmont Paper Stock Co., Inc.	N/A	12,924	N/A	12,924
Piedmont Paper Stock Co.--Chesapeake Corp.	19,336	20,332	19,336	21,328
Pilot Van Lines, Inc.	0	0	0	880
Pipe Line Haulers, Inc.	0	0	0	0
Polar Transport, Inc.	0	0	0	0
Pope Transport Co.	1,357,605	862,416	1,357,605	862,416
Poteat, Lindsey	0	0	83,751	108,741
Poythress Trucking Co.	178,545	45,518	587,398	45,518
Price, Warren Gene	73,870	65,895	73,870	65,895
Proctor, F.C.	317	N/A	317	N/A
Professional Transport	0	0	0	0
Public Transport Corporation	623,293	439,000	623,293	439,000
Puryear Transport, Inc.	435	N/A	781,814	N/A
Quinn, James Elwood, Inc.	N/A	N/A	892,879	524,351
R.E.M. Trucking Company	165,324	150,502	165,324	150,502

FIGURE NO. 9-3 CONTINUED
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1986 AND 1985
(ACTUAL DOLLARS)

	North Carolina Regulated Revenues		Total Company Revenues	
	1986	1985	1986	1985
Rakes, Jimmy L., Trucking Co., Inc.	$9,201	N/A	$96,102	N/A
Raleigh Delivery Service, Inc.	985,406	703,677	985,406	703,677
Rapid Transit	331,333	140,994	331,333	140,994
Rawley, J.W.	0	44,735	50,268	44,735
Raymac Supply Company	10,468	2,429	152,277	135,693
Regional Storage & Transport, Inc.	179,801	138,288	1,071,828	722,295
Re-Jim, Inc.	75,999	101,910	75,999	101,910
Reynolds Trucking Co., Inc	0	0	0	0
Rivers Trucking, Inc.	265,382	474,235	265,382	474,235
Riverside Transportation Company, Inc.	N/A	22,105	N/A	170,041
Roberson, Norman	58,529	30,851	58,529	30,851
Robinson, Joe E.	40,886	40,000	40,886	40,000
Roney, W.C., Trucking Co., Inc.	47,342	57,661	47,342	57,661
Roscus-Draughon	76,445	59,000	76,445	59,000
Rosdahl, Lloyd, Machinery Riggers, Inc.	21,880	27,420	21,880	27,420
Routh Transportation, Inc.	0	N/A	43,938	N/A
Rupard, C. B. & Sons	0	0	0	0
S & R Wrecker Service, Inc.	33,922	28,832	718,694	610,309
STG Transport, Inc.	584,393	505,195	584,393	505,195
Sampson, Charles T., Trucking Company	32,369	N/A	103,958	N/A
Sampson Tobacco Warehouse, Inc.	0	25,128	22,392	25,128
Sanders, Ervin	58,578	81,835	58,578	81,835
Santita Trucking Company	8,438	0	1,198,611	404,454
Satellite Station	0	N/A	0	N/A
Seaboard Western Express, Inc.	0	N/A	0	N/A
Self Scrap Metal Company	1,073	1,730	1,073	1,730
Shaw & Sons Trucking Co.	19,706	14,040	290,141	186,308
Shepard Motor Lines, Inc.	228,179	232,726	563,211	406,075
Skyland Couriers, Inc.	12,500	0	15,000	67,937
Smith, Alvin Alexander	0	0	139,616	106,143
Smith, Donald A.	209,675	203,081	419,350	406,161
Smith, Edgar	0	N/A	27,787	N/A
Smith, Ernest Thomas	72,000	33,641	72,000	33,641
Smith, Joe Neil, Trucking	10,626	0	10,626	66,772
Smith, Larry D.	18,486	26,500	18,486	26,500
Smith, Sam W.	108,348	83,356	114,911	151,245
Snow, Ted B.	0	0	48,800	0
South Atlantic Bonded Warehouse Corporation	514,058	510,041	594,248	543,016
South Freight Service, Inc.	249,668	576,397	799,848	1,030,857
Southern Freight Service, Inc.	103,815	74,180	103,815	74,180
Southern Hobgood Transport, Inc.	286,232	0	286,232	333,694
Southern Spindle and Flyer Co.	21,387	21,054	93,332	105,964

FIGURE NO. 9-3 CONTINUED
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1986 AND 1985
(ACTUAL DOLLARS)

	North Carolina Regulated Revenues		Total Company Revenues	
	1986	1985	1986	1985
Stainback Trucking, Inc.	$276,726	$308,883	$276,726	$308,883
Stallings, Harold Ray	62,420	39,021	62,420	39,021
Stanley's Transfer Company, Inc.	13,987	33,318	449,036	468,145
Star Express, Inc.	3,424	N/A	511,572	N/A
State Trucking Company	690,644	465,898	690,644	465,898
Stegall Milling Company, Inc.	188,758	187,662	200,906	199,914
Stewart, Herman	59,356	N/A	59,356	N/A
Stonecutter Trucking Co., Inc.	112,270	103,597	982,628	964,327
Stox Trucking Co.	263,643	275,410	736,448	619,753
Swain, Bob, Inc.	0	0	0	39,267
Swann Trucking Company, Inc.	0	1,630	847,645	1,058,114
Swicegood, Donald J.	105,076	96,899	150,849	254,440
Swinson Trucking Company, Inc.	78,278	0	235,371	0
TGH Enterprises, Inc.	164,862	127,567	164,862	127,567
Tamway Trucking Co.	100,901	164,201	154,017	186,894
Tappan Carriers, Inc.	1,188,049	698,825	1,191,088	699,021
Tarheel Transport, Inc.	622,318	568,698	622,318	568,698
Taylor Transfer & Storage Co., Inc.	0	N/A	0	N/A
Tedder, Foster R., Sr.	74,500	83,745	74,500	83,745
Texfi Industries, Inc.	N/A	6,557	N/A	6,557
Textile Transportation, Inc.	0	1,636	0	938,916
Thomas, Jimmy E.	0	73,000	45,685	73,000
Thomas Produce Company of Mount Airy, Inc.	0	N/A	0	N/A
Thompson, David, Trucking Company	222,601	95,440	560,215	514,816
Thompson Distributor	52,149	13,599	52,149	13,599
Tilton's Delivery Serivce	103,939	102,400	103,939	102,400
Timber Trucking Co., Inc.	0	0	1,953,444	0
Tobacco Growers Services, Inc.	0	0	0	0
Tobacco Transport	0	0	0	0
Tol-Co., Inc.	25,000	13,159	108,300	90,059
Transport Source, Inc.	N/A	58,000	N/A	298,201
Triad Transport, Inc.	213,427	192,687	213,427	192,687
Triangle Express	173,414	121,509	173,414	121,509
Tri County Transport, Inc.	143,467	124,774	143,467	124,774
Tri-State Moving & Storage	18,807	42,870	83,599	42,870
Triple A Transport	0	0	0	97,986
Truck Transfer Service, Inc.	27,100	34,187	361,383	216,460
Tultex Corporation	4,330	144,973	14,292	202,576
Twin City Warehouses, Inc.	14,885	11,700	81,120	82,392
Twisdale Trucking Company	0	0	0	0
Tyler, James L.	90,352	81,854	90,352	81,854
Umstead Brothers, Inc.	400,617	446,214	400,617	446,214
Valley Transfer, Inc.	709,192	727,979	709,192	727,979

FIGURE NO. 9-3 CONTINUED
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1986 AND 1985
(ACTUAL DOLLARS)

	North Carolina Regulated Revenues		Total Company Revenues	
	1986	1985	1986	1985
Waccamaw Transport, Inc.	$757,377	$709,595	$757,377	$709,595
Waco Drivers' Service, Inc.	0	66,091	0	217,043
Walker Transfer, Inc.	0	115,750	0	149,328
Wall Delivery Service, Inc.	576,372	692,278	576,372	692,278
Wards' Mobile Home Service	0	N/A	0	N/A
Watson Transportation Co.	16,722	16,698	16,722	16,698
Watts Trucking Company	106,324	87,885	106,324	87,885
Weaver Trucking Co.	136,946	184,932	136,946	184,932
White, Donnie, Trucking	376,246	332,687	389,216	332,687
White Transfer & Storage Co., Inc.	51,622	79,241	51,622	79,241
Wilco Transport Company, Inc.	768,092	612,900	768,092	612,900
Wilkinson Freight Lines, Inc.	299,968	298,919	399,957	398,558
Willetts Brothers Trucking	370	700	1,795	700
Williams, L. C., Oil Company, Inc.	0	0	0	11,104
Williams, Melvin Douglas	0	0	50,576	61,359
Williams, Moses	45,691	26,079	45,691	26,079
Wilson, John C. III	0	0	23,635	13,535
Wingate/Taylor-Maid Transportation	0	N/A	38,769	N/A
Young Transfer	769,293	636,232	1,095,817	897,519
Zackly Rite Trucking, Inc.	0	0	785,117	663,871
Total	$50,917,839	$43,380,139	$114,134,987	$86,403,593
Grand Total	$63,622,836	$54,630,627	$165,292,825	$133,631,106

N/A--Not Available

Grand Total Class III
Motor Freight Carriers for:
1986 = 642
1985 = 577

FIGURE NO. 9-4

MOTOR FREIGHT CARRIERS--CLASS I AND II
SUMMARY OF SELECTED DATA--INCOME, EXPENSES AND STATISTICAL ITEMS
FOR THE CALENDAR YEARS 1985 AND 1986
(DOLLARS IN 000S)

CLASS I CARRIERS

	1985	1986	% Change More(Less) 1985-1986
Number of Companies Included in this Data	135	146	8.1
North Carolina Regulated Revenues	$185,886	$181,088	(2.6)
Operating Data (Systemwide):			
Operating Revenues	$13,261,412	$14,765,203	11.3
Operating Expenses	$12,408,445	$13,753,825	10.8
Net Operating Income	$852,967	$1,011,378	18.6
Operating Ratio (Percent)	93.6	93.2	(0.4)
Statistics (N.C. Data Only):			
Average Number of Employees (Actual)	19,469	21,567	10.8
Total Salaries Paid ($-000s)	$492,874	$577,276	17.1

CLASS II CARRIERS

Number of Companies Included in this Data	117	129	10.3
North Carolina Regulated Revenues	$50,815	$68,742	35.3
Operating Data (Systemwide):			
Operating Revenues	$274,379	$377,543	37.6
Operating Expenses	$264,150	$365,611	38.4
Net Operating Income	$10,229	$11,932	16.6
Operating Ratio (Percent)	96.3	96.8	0.6
Statistics (N.C. Data Only):			
Average Number of Employees (Actual)	4,069	4,431	8.9
Total Salaries Paid ($-000s)	$65,550	$77,240	17.8

GRAND TOTALS CLASSES I & II

Number of Companies Included in this Data	252	275	9.1
North Carolina Regulated Revenues	$236,701	$249,830	5.5
Operating Data (Systemwide):			
Operating Revenues	$13,535,791	$15,142,746	11.9
Operating Expenses	$12,672,595	$14,119,436	11.4
Net Operating Income	$863,196	$1,023,310	18.5
Operating Ratio (Percent)	93.6	93.2	(0.4)
Statistics (N.C. Data Only):			
Average Number of Employees (Actual)	23,538	25,998	10.5
Total Salaries Paid ($-000s)	$558,424	$654,516	17.2

The number of carriers in each classification changes each year because of the companies' growth in revenue and the changes every few years in the level of revenues required to qualify for the Class I and II classifications. Therefore, the use of this data for comparative purposes must be used with discretion.

X. The Transportation Industry - Motor Passenger Carriers

A. GENERAL COMMENTS

1. REGULATED PRIVATELY OWNED SECTORS

For the purpose of filing annual reports, both the Interstate Commerce Commission (ICC) and the North Carolina Utilities Commission (NCUC) authorized the following classifications effective January 1, 1980, for the motor passenger carriers:

CLASSIFICATION	REQUIREMENTS
Class I	$3,000,000 or more annual operating revenues
Class II	$500,000--$3,000,000 annual operating revenues
Class III	Under $500,000 annual operating revenues

At September 30, 1987, there were 113 motor passenger carriers franchised to operate under the regulation of the North Carolina Utilities Commission. See Figure No. 10-1 for a list of the companies and their scope of operations. The two bus systems operated by Duke Power Company in Durham and Greensboro are franchised by the governing authorities of the municipalities in which they operate. The Commission's jurisdiction over these two carriers is limited to the approval or disapproval of fares and to the annual filing of reports of operations. The remaining 111 carriers are fully regulated by the Commission. Of these remaining carriers, 58 are transportation brokers and three are motor boat common carriers. Transportation brokers, as herein used, means any person not a bona fide employee or agent of a motor carrier who engages in the business of selling or offering for sale any transportation of passengers by motor carriers for compensation, either directly or indirectly. A transportation broker does not own or operate the vehicles used to transport passengers to whom he sells or arranges for this type of service. There is no operating data for the 61 carriers involved in this report. Operating data is included for the 27 motor passenger carriers who filed 1986 annual reports with the Commission.

2. NONREGULATED PUBLICLY OWNED SECTOR

The North Carolina Utilities Commission has no jurisdiction over most of the passenger transit systems serving the intracity traffic and the urban and rural areas. However, these systems are providing transportation to large numbers of intracity passengers as shown by the following ridership figures:

Unregulated Intracity Ridership

Calendar Year	Passengers
1981	22,866,452*
1982	22,553,958*
1983	21,221,389*
1984	21,291,471*
1985	21,179,555*
1986	22,150,923*

Since July 1, 1974, there has been a Public Transportation Division (PTD) within the Department of Transportation. The PTD administers several federal grant programs and a state grant program as well as fostering the development of the public transportation system in North Carolina. For further information on this agency's activities, the N.C. Department of Transportation, P. O. Box 25201, Raleigh, North Carolina 27602, should be contacted.

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*Source: Public Transportation Division--North Carolina Department of Public Transportation: Systems included in the data are Asheville, Chapel Hill, Charlotte, Fayetteville, Gastonia, Greenville, High Point, Raleigh, Salisbury, Wilmington, Wilson, and Winston-Salem. The bus systems in Durham and Greensboro are regulated and owned by Duke Power Company. The ridership for these systems is omitted from this data.

BUS DEREGULATION

The Bus Regulatory Reform Act of 1982 enacted by Congress granted intercity bus companies wide-ranging freedoms to adjust their services and rates. Under this act, if any intercity bus company files with the Commission for an increase in its rates, and the Commission approves a level of rates which is less than that requested, the carrier can then appeal the Commission's decision to the ICC. Under the Bus Act, the ICC is compelled to grant the carrier the full relief sought if the intrastate rates are less than similar interstate rates. Since the enactment of the Bus Act, all proceedings in which the Commission denied the rate relief sought in whole or in part, and the request was appealed to the ICC, the ICC granted the full relief sought.

B. INTERCITY MOTOR PASSENGER CARRIERS

Financial and statistical data is presented for the 19 regulated intercity carriers having separate operations during 1986 who filed annual reports with the North Carolina Utilities Commission. The intercity carriers have franchised and operating rights to serve two or more points and are further classed and operate as common or contract carriers over interstate or intrastate routes.

The following table shows the breakdown of these classifications as of December 31, 1985, and 1986.

Classification	1985 Number of Carriers	1986 Number of Carriers
Class I	5	4
Class II	6	5
Class III	13	10
Total	24	19

Type Carrier	1985 Number of Carriers	1986 Number of Carriers
Common	24	19
Contract	0	0
Total	24	19
Scope of Operations		
Interstate	10	8
Intrastate	14	11
Total	24	19

C. FARE INCREASES AUTHORIZED--INTERCITY

There were no intercity motor passenger carrier fare increases in 1986.

D. STATISTICAL SUMMARY DATA--INTERCITY

In 1986 the five Class I intercity motor carriers accounted for approximately 83% of the North Carolina total intercity gross operating revenues including the Class III carriers. For their North Carolina operations, the 1986 Class I intercity carriers experienced a 3.4% increase from their 1985 operations.

Systemwide operations for the Class I carriers in 1986 show an increase of 21.6% in operating revenues compared with 1985. There was an increase of 21.6% in operating expenses in 1986. The operating ratio for the Class I carriers in 1986 was 97.4% compared with 92.6% in 1985.

E. INTRACITY MOTOR PASSENGER CARRIERS COMMENTS

During 1986 there were eight intracity carriers operating under the jurisdiction of the North Carolina Utilities Commission who filed their annual reports. These intracity carriers are grouped as follows regarding size, type, and scope of operations:

Classification	1985 Number of Carriers	1986 Number of Carriers
Class I	0	0
Class II	2	2
Class III	7	6
Total	9	8
Type Carrier		
Common	6	5
Contract	3	3
Total	9	8
Scope of Operations		
Interstate	0	0
Intrastate	9	8
Total	9	8

There have been no fare increases authorized in intracity bus carriers since 1981.

F. STATISTICAL SUMMARY DATA--INTRACITY

Figure No. 10-4 shows a summary of selected income items and operational statistics for the calendar years 1985 and 1986 for the intracity motor passenger carriers. There are no Class I carriers presently in this group. Information is given for the eight carriers who filed 1986 annual reports.

FIGURE NO. 10-1
MOTOR PASSENGER CARRIERS FRANCHISED TO OPERATE IN NORTH CAROLINA
AS OF DECEMBER 31, 1986

	Scope of Operations		
Class I Carriers	Interstate	Intercity	Intracity
Carolina American Tours	X	X	
Carolina Coach Company	X	X	
Eastern Greyhound Lines (1)	X	X	
Southern Greyhound Lines (2)	X	X	
Seashore Transportation Company	X	X	
Trailways Lines (3)	X	X	
Total-6 Carriers	6	6	0
Class II Carriers			
America Charters, Ltd.		X	
American Coach Lines	X	X	
Blue Ridge Lines, Ltd.		X	
Duke Power Company-Durham (4)			X
Duke Power Company-Greensboro (5)			X
Kannapolis Transit Company, Inc.	X	X	X
Nancy & Dwight's Holiday Tours		X	X
Piedmont Coach Lines, Inc.	X	X	
Safety Transit Tours of Eden		X	
Southern Coach Company	X	X	
Wilson Bus Co., Inc.		X	
Young's Transportation	X	X	X
Total-12 Carriers	5	10	5
Class III Carriers			
Archie's Bus & Transit Services			X
Brown's Scenic Cruiser, Inc. (6)		X	X
Carolina Transit Lines of Charlotte		X	X
Dillahunt, John T.		X	X
Dills & Carpenter Transit		X	X
East American Coach		X	
Emma Bus Lines, Inc.			X
Forte's Charter Bus & Van Service		X	
Hammack, J.H.		X	
Harrelson, Mrs. R.L. & Company		X	

(1) and (2) Authority transferred from Greyhound Lines, Inc. (Docket Nos. B-456 and B-457, dated July 8, 1986).
(3) Name change from Trailways Southeastern Lines, Inc. (Docket No. B-69, Sub 144, dated January 17, 1986).
(4) and (5) Franchised by municipalities; fares only regulated by the N. C. Utilities Commission.
(6) Irregular route common carrier authority granted (Docket No. B-466, dated May 1, 1987).

FIGURE NO. 10-1 CONTINUED
MOTOR PASSENGER CARRIERS FRANCHISED TO OPERATE IN NORTH CAROLINA
AS OF DECEMBER 31, 1986

	Scope of Operations		
	Interstate	Intercity	Intracity
Hill, Jesse Tours, Inc. (7)		X	X
Holiday Express, Inc.		X	
Houston Transport Company, Inc.		X	X
J & R Charter Service, Inc.		X	
Joshlis Charters		X	
Lake Gaston Bus Service		X	X
Mars Hill-Weaverville Bus Lines, Inc.		X	
McBroom Coach, Inc.		X	
New Hope Charter			
Nooney Bus Lines, Inc.		X	
Piedmont Transit, Inc.		X	X
Pirate Explorers Transportation		X	X
Pleasure Island Limousine Service			X
Premier Charter Service, Inc.		X	
Pri-Arty Coach Lines (8)		X	X
Rockingham-Hamlet Bus Line		X	X
Scenic Tours, Inc.		X	
Southern Tours, Inc.		X	
Stewart Tours, Inc.		X	
Thompson Travel Services, Inc.		X	
Trans-Service, Inc.		X	
Travel Professionals		X	
Triad Lines, Inc.		X	X
Virginia Dare Transportation Company, Inc.	X	X	X
Total-34 Carriers	1	31	17
Motor Boat Common Carriers			
Carteret Boat Tours, Inc.		X	
Morris Marina, Kabin Kamps & Ferry Service, Inc.		X	
Willis, Alger G. Fishing Camps, Inc.		X	
Total-3 Carriers	0	3	0
Transportation Brokers			
Activity Designers of Raleigh		X	
Albertson, Charles W.		X	
Beamer, Nancy Tours		X	
Big "C" Tours		X	

(7) Irregular route common carrier authority granted. (Docket No. B-465, dated April 27, 1987).
(8) Irregular route common carrier authority granted. (Docket No. B-462, dated February 3, 1987).

FIGURE NO. 10-1 CONTINUED
MOTOR PASSENGER CARRIERS FRANCHISED TO OPERATE IN NORTH CAROLINA
AS OF DECEMBER 31, 1986

	Scope of Operations		
Transportation Brokers (Continued)	Interstate	Intercity	Intracity
Brantley Tours, Inc.		X	
Bullock Tours		X	
Carol-Ian Tours		X	
Carolina Tours		X	
Carousel of Raleigh		X	
Charlotte Visitours		X	
Country Cottage Tours		X	
Convenient Tours		X	
Cowan Tours, Inc.		X	
Cristal Tours		X	
Custom Travel Services, Inc.		X	
Davis Tours		X	
Daybreak Sing, Inc.		X	
Edwards, Patricia T.		X	
Express Tours		X	
Five Star Tours		X	
Gough Tours		X	
Great Getaway Tours		X	
Green, Conley F., Sr.		X	
Group & Individual Travel		X	
Hepler Tours		X	
Heritage Tours		X	
Holiday Tours		X	
International Tourist Group		X	
Introducing Asheville		X	
Jaunts & Journeys		X	
Johnston Lion's Club		X	
Kay, Hazel Tours		X	
Long's Travel Agency, Inc.		X	
Manning Tours, Inc		X	
Meetings, Inc.		X	
Moore Tours, Inc.		X	
New Bern Guided Tours		X	
N. C. First Tours		X	
N. C. State Motor Club		X	
North State Heritage Tours		X	
Northeastern Travel Services		X	
P & B Travels		X	
Per-Flo Tours, Inc.		X	
Piedmont Tours of Burlington, Inc.		X	
Scurlock's Travel & Tours		X	
Sheryl's Tours, Inc.		X	
Shopping Sprees-A Division of Topics, Inc.		X	
Smoky Mountain/Highland Tours, Inc.		X	
T. L. C. Tours		X	
Talks, Tours, & Things		X	
Thacker, Ginger Tours		X	
Travel Time of Salisbury		X	

FIGURE NO. 10-1 CONTINUED
MOTOR PASSENGER CARRIERS FRANCHISED TO OPERATE IN NORTH CAROLINA
AS OF DECEMBER 31, 1986

	Scope of Operations		
Transportation Brokers (Continued)	Interstate	Intercity	Intracity
Travel Tours, Inc.		X	
Trekmaker		X	
Western Carolina Tours, Inc.		X	
Williams, Roy B.		X	
Wooddall, Ruth Tours		X	
Total-58 Companies	0	58	0
Grand Total-113 Companies	12	108	22

FIGURE NO. 10.2

MOTOR PASSENGER CARRIERS - INTERCITY CLASSES I & II

Summary of Selected Income Items and Operational Statistics

For the Calendar Years 1965 and 1966

(North Carolina and Systemwide Data Noted)

		Class I					Class II					
		Carolina Coach Company	Greyhound Lines, Inc.	Seashore Transportation Company	Trailways Southeastern Lines, Inc.	Total Class I	American Coach Lines	Kannapolis Transit Co., Inc.	Nancy & Dwight's Holiday Tours	Piedmont Coach Lines	Southern Coach Company	Total Class II
Operating Revenues (N.C. Portion):	1965	$11,156,151	$6,920,443	$2,864,027	$2,357,919	$23,298,540	$64,332	$655,765	N/A	$1,082,409	$568,744	$2,291,250
	1966	$9,919,505	$7,821,370	$2,710,286	$1,641,104	$24,092,265	$201,568	$456,867	$720,017	$1,265,914	$629,392	$3,273,758
Income Items (Systemwide):												
Operating Revenues	1965	$21,936,458	$709,976,545	$3,349,564	$13,921,575	$749,186,142	$1,919,332	$655,765	N/A	$1,891,337	$1,090,617	$5,557,051
	1966	$21,592,979	$640,768,337	$2,713,048	$200,236,430	$865,310,794	$2,017,238	$697,380	$2,204,584	$2,109,856	$1,090,750	$8,119,808
Operating Expenses	1965	$20,818,620	$656,219,866	$3,260,577	$12,755,669	$693,054,992	$1,897,436	$725,769	N/A	$1,906,253	$1,224,697	$5,753,155
	1966	$20,085,779	$603,898,457	$5,012,940	$215,922,148	$842,919,324	$2,044,390	$693,665	$2,091,599	$2,151,546	$1,124,684	$8,105,884
Net Operating Income Before Taxes	1965	$1,117,598	$53,758,679	$88,987	$1,165,866	$56,131,150	$21,896	($70,004)	N/A	($13,916)	($134,080)	($196,104)
	1966	$1,507,200	$36,869,880	($299,892)	($15,685,718)	$22,391,470	($27,152)	$3,715	$112,985	($41,690)	($33,934)	$13,924
Other Income (Deductions) Net	1965	($818,797)	$8,287,667	($111,651)	($434,688)	$6,922,531	$115,084	$21,886	N/A	($62,864)	$154,857	$228,963
	1966	($557,165)	$12,497,209	($43,157)	$3,716,847	$15,613,734	$22,194	$0	($86,432)	($84,054)	$71,011	($77,281)
Income Taxes	1965	$160,451	$15,257,000	$11,160	$388,978	$15,815,589	$0	$0	N/A	$261	$574	$835
	1966	$48,076	$14,632,000	$0	($6,164,505)	$8,535,571	$0	$759	$17,680	$0	$1,244	$19,683
Extraordinary Items	1965	$0	$0	$0	$0	$0	$0	$0	N/A	$0	$0	$0
	1966	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Net Income After Taxes	1965	$138,350	$46,789,346	($33,824)	$344,220	$47,238,092	$136,980	($48,118)	N/A	($77,041)	$20,203	$32,024
	1966	$881,959	$34,735,089	($343,049)	($5,804,366)	$29,469,633	($4,956)	$2,956	$8,873	($125,744)	$35,833	($83,040)
Operating Ratio	1965	94.9%	92.4%	97.3%	91.6%	92.6%	98.9%	110.7%	N/A	100.7%	112.3%	103.5%
	1966	93.0%	94.2%	111.1%	107.6%	97.4%	101.3%	99.5%	94.9%	102.0%	103.1%	99.8%
Statistics (N.C. Only):												
Total Bus Miles Operated	1965	5,792,425	4,847,544	1,896,233	3,118,356	15,654,558	99,361	122,296	N/A	471,899	292,564	986,120
	1966	4,125,564	4,201,659	1,499,813	2,638,768	12,465,804	94,377	260,258	153,758	515,262	313,911	1,265,566
Length of bus route miles - one way (actual)	1965	2,103	1,305	666	2,446	6,520	83	N/A	N/A	N/A	24	107
	1966	2,103	1,303	666	2,446	6,518	83	N/A	N/A	N/A	41	124
Total gallons gasoline purchased or used	1965	0	0	11,334	N/A	11,334	0	0	N/A	N/A	7,271	7,271
	1966	0	0	0	N/A	0	0	0	N/A	N/A	6,605	6,605
Total gallons diesel fuel purchased or used	1965	696,580	953,656	245,023	520,991	2,416,450	14,668	31,190	N/A	N/A	79,319	125,177
	1966	425,779	826,765	245,022	392,459	1,890,025	15,353	61,148	35,648	N/A	91,726	203,875

N/A Not Available

FIGURE NO. 10.2 CONTINUED

MOTOR PASSENGER CARRIERS - INTERCITY - CLASSES I & II

Summary of Selected Income Items and Operational Statistics

For the Calendar Years 1985 and 1986

(North Carolina and Systemwide Data Noted)

		Class I					Class II					
		Carolina Coach Company	Greyhound Lines, Inc.	Seashore Transportation Company	Trailways Southeastern Lines, Inc.	Total Class I	American Coach Lines	Kannapolis Transit Co., Inc.	Nancy & Dwight's Holiday Tours	Piedmont Coach Lines	Southern Coach Company	Total Class II
*No. of tickets sold which originated in N.C.	1985	468,359	416,721	138,947	N/A	1,024,027	N/A	0	N/A	N/A	N/A	N/A
	1986	226,205	439,363	123,365	N/A	849,013	N/A	0	N/A	N/A	N/A	N/A
*Revenue for tickets originating in N.C.	1985	$7,329,813	$5,950,783	$2,260,770	$1,631,327	$17,172,693	N/A	$0	N/A	N/A	N/A	N/A
	1986	$5,596,881	$7,144,043	$966,106	$1,108,116	$14,815,146	$98,912	$0	N/A	N/A	N/A	$98,912
*Average revenue per ticket originating in N.C.	1985	$15.65	$14.28	$16.27	N/A	$15.40	N/A	$0	N/A	N/A	N/A	N/A
	1986	$19.55	$16.26	$7.84	N/A	$14.55	N/A	$0	N/A	N/A	N/A	N/A
Other revenue originating in N.C. by charter & express	1985	$5,748,473	$2,072,899	$2,021,015	$726,592	$10,568,979	N/A	$0	N/A	N/A	$1,090,566	$1,090,566
	1986	$4,322,624	$2,677,327	$1,744,180	$532,988	$9,277,119	$14,924	$0	$2,204,584	N/A	$1,090,176	$3,309,684
Statistics (Systemwide):												
No. revenue passengers carried	1985	1,943,595	43,705,642	231,000	704,250	46,584,507	N/A	26,840	N/A	N/A	74,318	101,158
	1986	1,299,717	36,242,212	179,474	10,689,140	48,410,543	N/A	38,000	18,537	N/A	75,096	131,633
Average fare per passenger carried (actual)	1985	$10.10	$14.28	N/A	$13.82	$12.73	N/A	N/A	N/A	N/A	N/A	N/A
	1986	$12.61	$16.42	$7.84	$13.69	$12.64	N/A	N/A	N/A	N/A	N/A	N/A
Total number of buses owned (actual)	1985	200	3,307	29	64	3,600	21	2	N/A	32	17	72
	1986	199	2,640	27	1,200	4,066	22	N/A	11	47	17	97
Total number of buses in service at year-end	1985	61	944	N/A	64	1,069	3	N/A	N/A	20	6	31
	1986	58	296	6	1,171	1,521	N/A	4	4	22	8	38
Average number of N.C. employees (actual)	1985	353	554	68	182	1,157	1	12	N/A	31	17	61
	1986	348	343	78	182	951	1	32	N/A	39	18	90

* Excludes charter & school passengers

N/A Not Available

FIGURE NO. 10-3
MOTOR PASSENGER CARRIERS--INTERCITY--CLASS III
Summary of Total Revenues and Expenses
For the Calendar Years 1985 and 1986

Company	Total Company Operating Revenues		Total Company Operating Expenses		Total Company Operating Ratio	
	1985	1986	1985	1986	1985	1986
J & R Charter Service, Inc.	N/A	$22,705	N/A	$32,908	N/A	144.9%
Johslis Charter	$29,710	$20,128	$25,722	$31,011	86.6%	154.1%
Lake Gaston Bus Service	$9,834	$6,884	$3,907	$2,734	39.7%	39.7%
McBroom Coach, Inc.	$192,074	$219,512	$156,472	$188,861	81.5%	86.0%
New Hope Charter, Inc.	$85,872	$167,278	$65,743	$148,933	76.6%	89.0%
Nooney Bus Lines, Inc.	$60,110	$64,484	$60,523	$65,165	100.7%	101.1%
Piedmont Transit, Inc.	$216,687	$156,777	$199,305	$178,702	92.0%	114.0%
Southern Tours, Inc.	$159,034	$389,441	$239,457	$437,304	150.6%	112.3%
Trans-Service, Inc.	$293,383	$280,239	$285,532	$269,169	97.3%	96.0%
Triad Lines, Inc.	$482,915	$372,525	$504,240	$368,316	104.4%	98.9%
Total	$1,529,619	$1,699,973	$1,540,901	$1,723,103	100.7%	101.4%

N/A--Not Available

FIGURE NO. 10-49
MOTOR PASSENGER CARRIERS--INTRACITY--CLASSES II & III (1)
Summary of Selected Income Items and Operational Statistics
For the Calendar Years 1985 and 1986

		Class II			Class III						
		Duke Power Durham	Duke Power Greensboro	Total Class II	Archie's Bus & Transit	Carolina Transit Lines of Charlotte	Dillahunt John T.	Ema Bus Lines	Holiday Express Inc.	Houston Transport Company	Total Class III
th Carolina Operations Only:											
rating Revenues	1985	$888,101	$593,215	$1,481,316	N/A	$331,395	$4,855	$217,851	N/A	$207,897	$767,631
	1986	$779,863	$596,014	$1,375,877	N/A	$363,911	$4,576	$250,590	$111,555	$217,233	$947,865
rating Expenses	1985	$2,284,044	$1,712,237	$3,996,281	N/A	$317,603	$6,505	$243,042	N/A	$235,165	$802,315
	1986	$2,017,116	$1,668,250	$3,685,366	N/A	$314,748	$6,475	$237,931	$59,240	$224,110	$842,504
Operating Income Before Taxes	1985	($1,395,943)	($1,119,022)	($2,514,965)	N/A	$13,792	($1,650)	($25,191)	N/A	($27,268)	($40,317)
	1986	($1,237,253)	($1,072,236)	($2,309,489)	N/A	$49,163	($1,899)	$12,659	$52,315	($6,877)	$105,361
er Income or (Deductions)--Net	1985	$0	$0	$0	N/A	$16,916	$0	($4,875)	N/A	$0	$12,041
	1986	$0	$0	$0	N/A	$11,854	$0	($4,074)	($57,496)	$0	($49,716)
me Taxes--Net	1985	$0	$0	$0	N/A	$6,992	$0	$0	N/A	($3,164)	$3,828
	1986	$0	$0	$0	N/A	$12,563	$0	$0	$0	$0	$12,563
Income After Taxes	1985	($1,395,943)	($1,119,022)	($2,514,965)	N/A	$23,716	($1,650)	($30,066)	N/A	($24,104)	($32,104)
	1986	($1,237,253)	($1,072,236)	($2,309,489)	N/A	$48,454	($1,899)	$8,585	($5,181)	($6,877)	$43,082
rating Ratio	1985	257.2%	288.6%	269.8%	N/A	95.8%	134.0%	111.6%	N/A	113.1%	104.5%
	1986	258.6%	279.9%	267.9%	N/A	86.5%	141.5%	94.9%	53.1%	103.2%	88.9%
istics (Actual) Systemwide:											
th of bus route-miles one way	1985	52	69	121	5	N/A	46	N/A	N/A	12	63
	1986	52	69	121	N/A	N/A	46	N/A	0	N/A	46
l no. of buses owned	1985	33	27	60	1	6	N/A	16	N/A	14	37
	1986	33	26	59	N/A	6	N/A	N/A	2	14	22
age no. of buses operated daily	1985	20	17	37	0	2	1	8	N/A	12	23
	1986	20	17	37	N/A	2	1	8	1	11	23
l bus miles operated yearly	1985	870,973	708,248	1,579,221	750	215,569	28,000	189,444	N/A	168,506	602,269
	1986	863,214	682,214	1,545,428	500	235,615	26,000	193,912	77,723	120,103	653,853
l revenue passengers hauled during year	1985	2,296,764	1,456,489	3,753,253	N/A	24,071	N/A	227,176	N/A	N/A	251,247
	1986	1,892,715	1,399,416	3,292,131	N/A	25,601	N/A	256,324	N/A	N/A	281,925
l school passengers hauled during year	1985	163,763	10,353	174,116	N/A	N/A	N/A	188,647	N/A	N/A	188,647
ncluded in total passengers hauled)	1986	119,489	9,830	129,319	N/A	N/A	N/A	215,938	N/A	N/A	215,938
age number of bus drivers	1985	40	30	70	N/A	4	N/A	N/A	N/A	14	18
	1986	34	29	63	N/A	4	N/A	N/A	2	2	8
age number of full time N.C. employees	1985	73	67	140	N/A	6	N/A	10	N/A	17	33
	1986	65	67	132	N/A	6	N/A	N/A	2	18	26
l N.C. salaries and wages paid	1985	$1,258,196	$977,866	$2,236,062	N/A	$102,899	N/A	$73,595	N/A	$64,836	$241,320
	1986	$1,170,659	$982,556	$2,153,215	N/A	$114,011	$580	N/A	$16,349	N/A	$130,940

Due to reclassification effective 1-1-80, there are no Class I carriers classified as intracity.
A report was filed but this information was not available.
No report was filed with the N.C. Utilities Commission.

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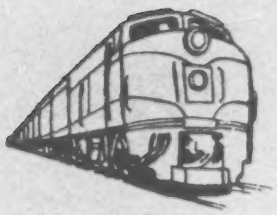
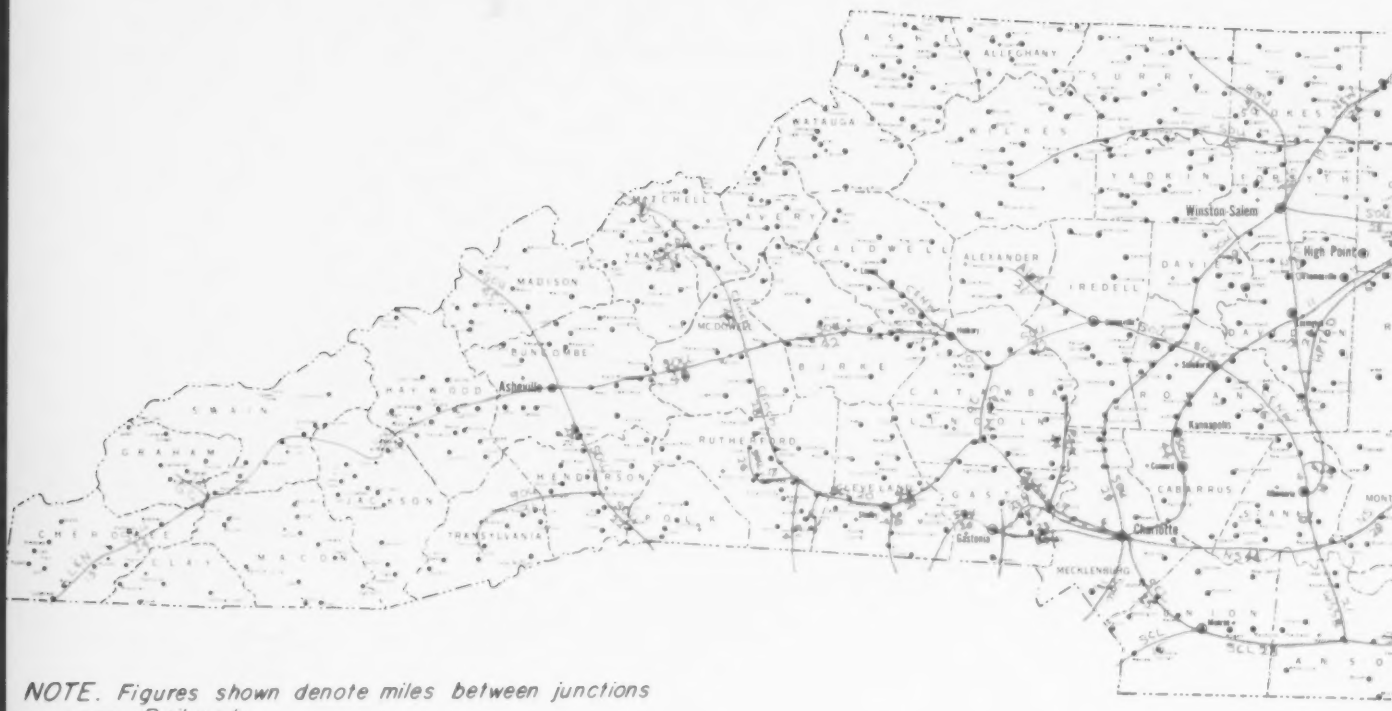


XI. The Transportation Industry—Railroads



NOTE. Figures shown denote miles between junctions

—— *Railroads*

o *County Seats*

• *Other Towns or Junctions*

FIGURE 11-1

MAP OF

NORTH CAROLINA RAILROADS

PREPARED BY

NORTH CAROLINA UTILITIES COMMISSION

RALEIGH, N.C.

1987

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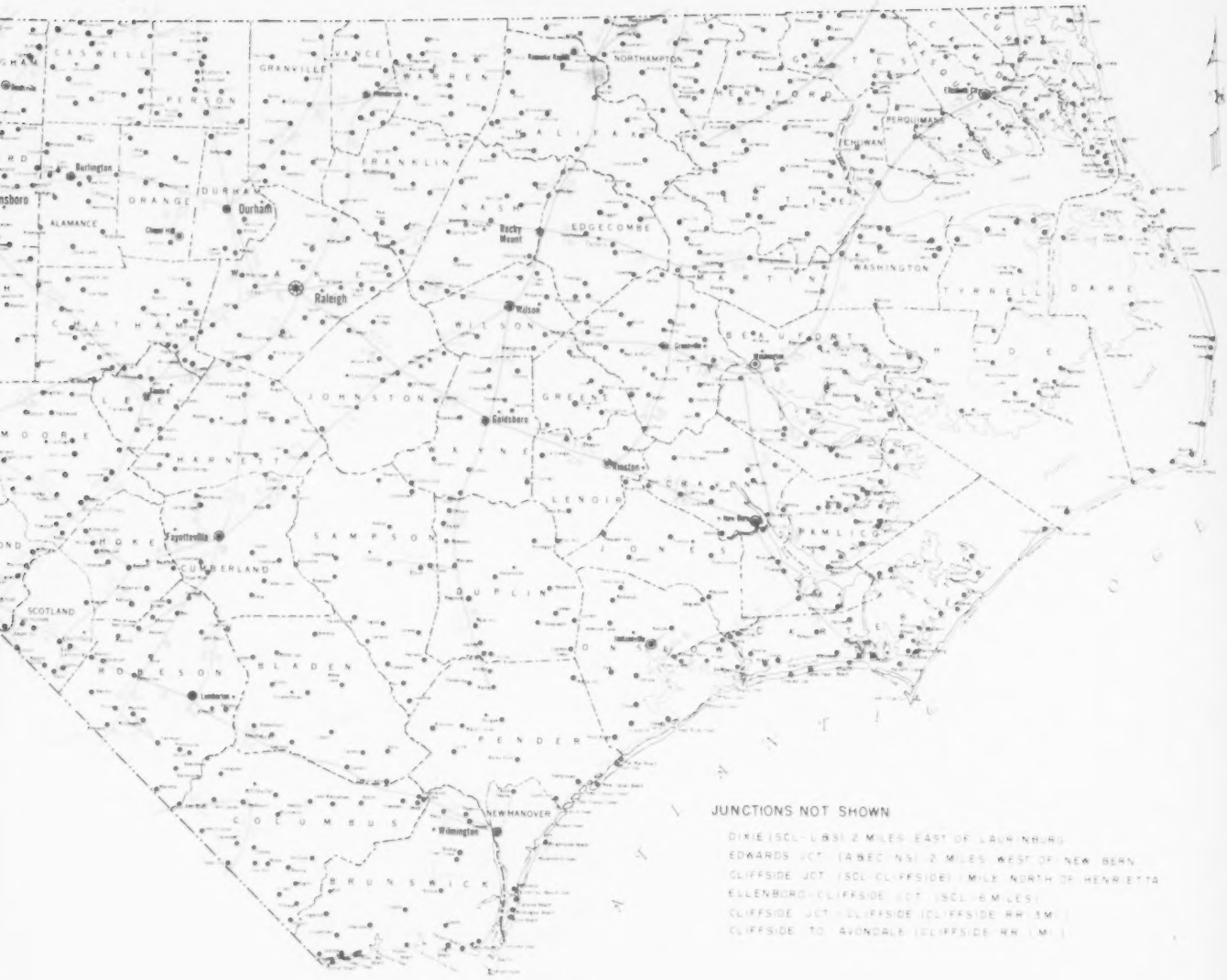

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FIGURE 11-1A

RAILROADS AUTHORIZED TO OPERATE IN NORTH CAROLINA
AS OF DECEMBER 31, 1987

Aberdeen & Briar Patch Railway Co.
P.O. Box 917
Aberdeen, N.C. 28315

Aberdeen & Rockfish Railway Co.
P.O. Box 917
Aberdeen, N.C. 28315

Alexander Railroad Co.
P.O. Box 277
Taylorsville, N.C. 28681

Atlantic & East Carolina Railway Co.
5 Main Plaza East
P.O. Box 3609
Norfolk, Virginia 23514-3609

Atlantic & Western Corp.
317 Chatham Street
P.O. Box 1208
Sanford, N.C. 27330

Beaufort & Morehead Railroad Co.
P.O. Box 300
Beaufort, N.C. 28516

CSX Transportation
P.O Box 41645
Jacksonville, Florida 32203-1645

Camp Lejeune Railroad Co.
5 Main Plaza East
P.O. Box 3609
Norfolk, Virginia 23514-3609

Cape Fear Railways, Inc.
P.O. Box 70090
Fort Bragg, N.C. 28307

Carolina & Northwestern Railway Co.
5 Main Plaza East
P.O. Box 3609
Norfolk, Virginia 23514-3609

Cliffside Railroad Co.*
C/O Cone Mills Corporation
1201 Maple Street
Greensboro, N.C. 27405

Fairmont & Western Railroad Co.
P.O. Box 1929
Laurinburg, N.C. 28352

Franklin County Railroad Corp.
P.O. Box 1929
Laurinburg, N.C. 28352

High Point, Thomasville, & Denton Railroad Co
500 Water Street
Jacksonville, Florida 32202

Laurinburg & Southern Railroad Co.
P.O. Box 1929
Laurinburg, N.C. 28352

Nash County Railroad Corp.
P.O. Box 1929
Laurinburg, N.C. 28352

Norfolk Southern Combined Railroad
5 Main Plaza East
P.O. Box 3609
Norfolk, Virginia 23514-3609

Red Springs & Northern Railroad Co.
P.O. Box 1929
Laurinburg, N.C. 28352

State University Railroad Co.
5 Main Plaza East
P.O. Box 3609
Norfolk, Virginia 23514-3609

Warrenton Railroad Co.
P.O. Box 518
Warrenton, N.C. 27589

Winston-Salem Southbound Railway Co.
500 Water Street
Jacksonville, Florida 32202

*Cliffside Railroad Co. suspended its operations in March 1986.

A. RAILROAD COMPANIES OPERATING IN NORTH CAROLINA

Twenty-one railroad companies were in operation in North Carolina at the end of 1986. These companies operated 4,152 miles of trackage in North Carolina as of December 31, 1986. Figure No. 11-1 is a map of the North Carolina Railroad System and Figure No. 11-2 shows a list of railroads franchised to operate. The State's rail system is well-developed with service available to many towns and to all regions of the State. Almost all of the state's one hundred counties receive rail service.

In North Carolina railroads are viewed as a very important element in the State's total freight transportation system, delivering many of the materials needed to run North Carolina's economy. The State's agricultural and wood product industries have relied on convenient and economical rail service. The coal-fired utility plants, which generate electricity for North Carolina industries, depend on rail for coal delivery.

On January 1, 1980, the Interstate Commerce Commission (ICC) and the North Carolina Utilities Commission (NCUC) reclassified the railroads as follows: (M-100, Sub 68, dated 2-5-82)

Class I	$50 million or more annual revenues
Class II	$10 million to $50 million annual revenues
Class III	Less than $10 million annual revenues

At December 31, 1986, there were two Class I railroads, one Class II railroad, and eighteen Class III railroads in operation in North Carolina.

Although there are twenty-one separately identified rail companies serving North Carolina, most of the state's rail transport needs are provided by two large, well-established companies. CSX Transportation, formerly Seaboard System Railroad Company, and Norfolk Southern Combined Railroad Subsidiaries, together with their affiliates, control over 90% of the track-miles located in the state. In 1986 Norfolk-Western Railway Company and Southern Railway consolidated to form Norfolk Southern Combined Railroad Subsidiaries.

B. PASSENGER SERVICE THROUGH NORTH CAROLINA

In North Carolina, railroads not only contribute to commodity movements, they also provide for intercity passenger movements. During 1986 four trains per day provided regularly scheduled passenger service. Each was owned and operated by the National Railroad Passenger Corporation (AMTRAK). AMTRAK was established in 1970 to relieve railroads of the responsibility of providing rail passenger service. When AMTRAK was formed only two railroads provided passenger service in North Carolina: Seaboard Coast Line Railroad Company (SCL), now CSX Transportation, and Southern Railway Company (SOU), now Norfolk Southern Combined Railroad Subsidaries.

AMTRAK operates over the transportation tracks of CSX and Norfolk & Southern Combined Railroad Subsidiaries. AMTRAK now operates passenger trains over the rails of SCL: Nos. 81 and 82, the Silver Star, between New York and Miami, Florida, with stops at Raleigh, Hamlet, Southern Pines, and Rocky Mount, North Carolina; Nos. 87 and 88, the Silver Meteor, between Boston, Massachusetts, and Miami, Florida serving Rocky Mount and Fayetteville, North Carolina, as conditional stops; and Nos. 89 and 90, the Palmetto, between Virginia and Florence, South Carolina, with stops at

Rocky Mount, Wilson, Selma, and Fayetteville, North Carolina.

On April 6, 1978, Southern Railway Company filed an application with the ICC to discontinue operation of its last passenger train operating in North Carolina. On or about February 1979, AMTRAK took over and began operation of the Crescent, Nos. 1 and 2, operating between Washington, D.C., and Atlanta, Georgia, which was the last independent rail service in North Carolina provided on regular schedules. The federal budget cuts made in 1981 forced major revisions in AMTRAK's overall service but did not affect service to North Carolina. With the addition of new or rebuilt equipment on all North Carolina routes, service has become more attractive and reliable; however, increased fares may be necessary to absorb the cost of these improvements.

In October 1984, AMTRAK experimented with the daily operations of a passenger train between Charlotte and Raleigh, North Carolina. This train, the Carolinian, began its journey from Charlotte to Raleigh, then on to Richmond, Virginia. In Richmond, the passengers were merged onto trains en route to New York. The AMTRAK trains in Richmond then returned to Raleigh, where passengers boarded at the station on West Cabarrus Street. From Raleigh, the Carolinian returned to Charlotte. The State government of North Carolina subsidized operations for the Carolinian in its journey between Charlotte and Raleigh. However, due to economic reasons the Carolinian ceased its operations in September 1985.

C. RAIL SAFETY ACTIVITY BY COMMISSION

During 1986 as in previous years, the Utilities Commission was very active in the investigation and surveillance of the condition of rail trackage and other rail equipment and facilities in an effort to minimize the frequency and severity of rail accidents caused by inadequate maintenance and/or malfunctioning equipment.

During the period 1973-1986, the Commission enlarged the scope of its rail safety program by the addition of three Rail Safety Engineers whose sphere of responsibility includes the inspection of all rail trackage and rail equipment in North Carolina.

The duties of these three engineers encompassed on-site inspection of track conditions and equipment and investigations of train accidents. A written report is filed concerning each inspection, and any defect found is required to be corrected. In addition to on-site inspections, these engineers also conduct inspections of company records to ensure compliance with the rail safety regulations. The Federal Railroad Administration reimburses the transportation division for approximately 25% of their expenditures in this rail safety program.

D. MOBILE AGENCY CONCEPT AND STATION CLOSING IN NORTH CAROLINA

Mobile Agency Concept

A major innnovation in rail freight transportation has been the implementation, upon Commission approval after investigation and hearing, of a mobile agency concept in North Carolina. This concept has replaced the fixed agent (serving one town on a five-day 40-hour week or less basis) with a mobile agent operating a special radio-equipped van, serving several small towns by highway in a given area. On a variable route six days per week, the agent calls on railroad customers in their respective places of business, rather than the customer having to go to the railroad station as in the past.

The area served by the mobile agent is also served by a special telephone system connected to a central, or base agency, station manned 13 hours per day, six days per week. This station is connected by a Telex system to a car information computer center. Any customers in the area, by dialing a special number, can talk directly to the personnel in the base agency

toll free and conduct such business with the railroad as is necessary. In addition the base agent, by using the Telex system, can relay almost immediately any car information a customer requests. The base agent, the mobile agent, and the train crews in the vicinity are in constant communication with each other by radio so that customers can be served efficiently.

This concept, with some variations, is in effect in many places throughout the State. The latest mobile agency station was approved in 1987.

Mobile Agency Station Approved

Docket No. R-29, Sub 680, 11-05-87, Reclassified the Roxboro Agency Station and established Mobile Agency Route NW VA-9 at South Boston, Virginia to serve Roxboro and its Nonagency Stations of Hyco, Helena, Woodsdale, and Mayo Creek, North Carolina.

Stations Closing and Changes

The railroads, as in 1986, continued their activity during 1987 in consolidating their freight handling operations by requesting permission from the Utilities Commission to discontinue freight handling facilities at several locations. The requests by the companies to close or discontinue service at most of the locations are based on economic factors, with the decreasing volume of freight handled at the particular location being the main reason given.

Figure No. 11-3 lists the companies, locations, and facilities affected by the Commission action after hearings with the general public located in the respective areas.

E. RAIL CROSSINGS

There were 4,812 rail crossings in North Carolina in 1986, up from 4,625 in 1985. During 1986 there were 19 deaths and 124 injuries resulting from accidents involving highway rail crossings. In 1985, there were 11 deaths and 89 injuries resulting from accidents involving highway rail crossings. The Utilities Commission has very limited jurisdiction in the elimination of grade crossings and the erection of signaling devices at them. The Highway Commission has jurisdiction over State highway system roads and links therein, including the proration of costs of relocation and signaling devices, with a statutory provision that 90% of such costs are to be borne by the Highway Commission.

F. STATISTICAL SUMMARY DATA

Operating revenues of the Class I and II railroad companies decreased 5.6% for their North Carolina operations and increased 29.0% for their total company operations in 1986 over 1985. Operating expenses decreased 8.3% for their North Carolina operations and increased 22.5% for total company operations. The North Carolina operating ratio was 89.3% for the Class I and II railroad companies in 1986. The combined North Carolina operating ratio for all three classes of railroad companies in North Carolina was 89.0% in 1986, compared with 91.4% in 1985. See Figure No. 11-4.

Railway freight activity in North Carolina, as reflected by the tons of revenue freight originating in North Carolina, decreased 4.7% in 1986 over 1985. Figure No. 11-5 shows in detail the types of commodities carried by rail. Lumber, wood products, pulp paper, and chemicals were the leading commodities carried by rail in 1986. These commodities were well-suited for the rail mode because they are characteristically bulky, high-volume, or low-value commodity types.

North Carolina's railroads constitute a well-established and significant industry. They not only support economic prosperity by contributing to state and local taxes, but they also employ many state residents. The number of employees residing in North Carolina and working for the railroads

was 5,100 at year-end 1986. The total compensation for railroad employees was approximately $140 million with the average salary per worker at $27,246. See Figure Nos. 11-6, 11-7, and 11-8 for additional financial and statistical data on the operation of all railroads.

FIGURE NO. 11-2

RAILROADS AUTHORIZED TO OPERATE IN NORTH CAROLINA
AS OF DECEMBER 31, 1986

Company	Main Business Office	Abbreviation	Class	Mileage Operated North Carolina 1985	North Carolina 1986	System 1985	System 1986	1986 % in N.C.
Aberdeen & Briar Patch Railway Co. (1)	Aberdeen, N.C.	ABPR	III	33	N/A	33	N/A	N/A
Aberdeen & Rockfish Railway Co.	Aberdeen, N.C.	A&R	III	47	46	47	46	100.0
Alexander Railroad Co.	Taylorsville, N.C.	ARC	III	19	19	19	19	100.0
Atlantic & East Carolina Railway Co.	Norfolk, Va.	A&EC	III	94	94	94	94	100.0
Atlantic & Western Corp.	Sanford, N.C.	ATW	III	3	3	3	3	100.0
Beaufort & Morehead Railroad Co.	Beaufort, N.C.	B&MN	III	4	4	4	4	100.0
CSX Transportation (2)	Jacksonville, Fla.	CSX	I	1,369	1,189	14,177	38,728	3.1
Camp Lejeune Railroad Co.	Norfolk, Va.	CLRR	III	41	41	41	41	100.0
Cape Fear Railways, Inc.	Fort Bragg, N.C.	CFR	III	11	11	11	11	100.0
Carolina & Northwestern Railway Co.	Norfolk, Va.	CNW	II	622	625	750	750	83.3
Cliffside Railroad Co. (3)	Cliffside, N.C.	Cliff	III	8	N/A	8	N/A	N/A
Fairmont & Western Railroad Co.	Laurinburg, N.C.	FWRD	III	12	10	12	10	100.0
Franklin County Railroad Corp.	Laurinburg, N.C.	FCYR	III	N/A	10	N/A	10	100.0
High Point, Thomasville, & Denton Railroad Co.	Jacksonville, Fla.	HPT	III	N/A	34	N/A	34	100.0
Laurinburg & Southern Railroad Co.	Laurinburg, N.C.	LSR	III	N/A	28	N/A	28	100.0
Nash County Railroad Corp.	Laurinburg, N.C.	NCYR	III	12	20	12	20	100.0
Norfolk Southern Combined Railroad (4)	Norfolk, Va.	NS Rail	I	1,940	1,908	17,620	17,520	10.9
Red Springs & Northern Railroad Co.	Laurinburg, N.C.	RSNR	III	12	10	12	10	100.0
State University Railroad Co.	Norfolk, Va.	S.T.U.	III	10	10	10	10	100.0
Warrenton Railroad Co. (5)	Warrenton, N.C.	W.R.R.	III	N/A	N/A	N/A	N/A	N/A
Winston-Salem Southbound Railway Co.	Jacksonville, Fla.	WSS	III	N/A	90	N/A	90	100.0
Total-21 Companies				4,237	4,152	32,853	57,428	7.2

N/A = Not Available

(1) Aberdeen & Briarpatch was purchased by Aberdeen Carolina & Western in June 1987.
(2) CSX Transportation was formerly Seaboard System Railroad, Inc. The name was changed on July 1, 1986.
(3) Cliffside Railroad Company suspended its operations in March 1986.
(4) Norfolk & Western Railway and Southern Railway Consolidated in 1986. Mileage was combined for 1985 for comparative purposes.
(5) Warrenton Railroad Company is authorized to operate but has been inactive since 1984.

FIGURE NO. II-3

RETIREMENT, ABANDONMENT, AND RELOCATION OF STATIONS AND FACILITIES
1987

Docket Number	Date Filed	Date Approved	Location of Facility (North Carolina)	Disposition of Facility
			ATLANTIC & EAST CAROLINA RAILROAD	
R-29, SUB 687	9-29-87	11-20-87	Havelock	Close Agency Station and the Nonagency Stations of Cherry Point, Newport, Kellum, Camp Lejeune, Hawkside & Camp Lejeune Junction and Add to Those Nonagency Stations Governed By the New Bern Agency
R-29, SUB 658	4-29-87	5-11-87	Morehead City	Retire & Remove a Track Formerly Serving Morehead Builders Supply
			CAROLINA & NORTHWESTERN RAILWAY COMPANY	
R-29, SUB 627	11-12-86	5-08-87	Salisbury	Retire & Remove Railway-Owned Portion of Track, Serving Salisbury Crafts, Successor WJN Industrial
R-29, SUB 644	1-23-87	3-05-87	Farmville	Retire & Remove the Unused Industrial Lead Tracks North & East of Wilson Street
			CSX TRANSPORTATION	
R-71, SUB 153	4-23-87	9-16-87	Middleburg	Retire Track No. 3 and Remove Station From Open & Prepay Station List
R-71, SUB 154	7-29-87	9-16-87	Manly	Retire the Team Track and Show Agency as a Private Siding Station on the Open & Prepay Station List
R-71, SUB 155	9-04-87	11-02-87	Greenville	Abolish the Mobile Agency and Show the Stations Under This Jurisdiction as Nonagency Stationss
R-71, SUB 156	10-29-87	12-04-87	Wilson, Rocky Mount Kenly	Include Agency in the Rocky Mount No. 2 Mobile Agency & Change Kenly's Status to a Nonagency Station
R-71, SUB 157	11-18-87	12-21-87	Black Creek	Retire Team Track & Amend Station From a Public To a Private Siding Status on the Open & Prepay Station List
			Norfolk Southern Combined Railroad Subsidiaries	
R-29, SUB 593	9-23-86	4-10-87	Greensboro	Retire & Remove Track Nos. 284-7 & 284-8, Formerly Serving Greensboro Twine & Paper Company
R-29, SUB 597	8-07-87	10-13-87	Concord	Retire & Remove Track No. 357-10, Formerly Serving Reichold Chemical Company
R-29, SUB 599	10-20-86	12-05-87	Concord	Retire & Remove the Railway-Owned Portion of Track No. 357-29, Formerly Serving Fuller Supply Company

FIGURE NO. 11-3 CONTINUED

RETIREMENT, ABANDONMENT, AND RELOCATION OF STATIONS AND FACILITIES
1987

Docket Number	Date Filed	Date Approved	Location of Facility (North Carolina)	Disposition of Facility
R-29, SUB 607 -612	9-23-86	4-13-87	Newton, Marion, Morganton & Old Fort	Close Agency Stations & Restructure Western North Carolina Freight Operations
R-29, SUB 613	10-17-86	1-02-87	Gastonia	Dispose of the Depot Building
R-29, SUB 615	10-16-86	4-07-87	Lenoir	Retire & Remove Track No. 110-3, Formerly Serving Bost Lumber Company, Inc.
R-29, SUB 619	10-20-86	1-21-87	Sylva	Retire & Remove Track No. 45-2, Formerly Serving Southern Lumber Company
R-29, SUB 624	1-05-87	2-05-87	Charlotte	Retire & Remove the Railway-Owned Portion of Track No. 2-16, Formerly Serving General Steel Pail Corporation
R-29, SUB 625	12-15-86	3-16-87	Butner	Retire & Remove a Track Serving Hancock Bonded Warehouse
R-29, SUB 628	12-03-86	2-04-87	Slocomb	Retire & Remove a Track Formerly Serving Ideal Brick Company
R-29, SUB 630	1-12-87	2-04-87	Greensboro	Retire & Remove Track No. 285-13, Formerly Serving Wysong & Miles Manufacturing Co. & the Railway-Owned Portion of Track No. 285-12 Springing Therefrom
R-29, SUB 632	1-07-87	2-04-87	Shelby	Retire & Remove Track No. 153-3, Formerly Serving Seal Wire Company
R-29, SUB 634	12-15-86	3-18-87	Wilson	Retire & Remove Railway-Owned Portion of Track Formerly Serving Wilson Ice & Coal Company
R-29, SUB 635	12-08-86	4-07-87	Newton	Retire & Remove a Track Formerly Serving Projection Products, Inc.
R-29, SUB 636	1-23-87	2-05-87	Henderson	Retire & Remove a Track Formerly Serving Hancock Bonded Warehouse Corporation
R-29, SUB 637	1-07-87	2-05-87	Forest City	Retire & Remove Track No. 177-4, Formerly Serving Forest City Coal Company
R-29, SUB 638	1-07-87	2-04-87	Patterson Springs	Retire & Remove Track No. 149-1, Formerly Serving Suburban Rulane Gas Company
R-29, SUB 639	1-07-87	1-20-87	Patterson Springs	Retire & Remove a Track Formerly Serving Blu-Gas Co., Inc.
R-29, SUB 643	1-23-87	2-12-87	Durham	Retire & Remove Track No. 50-2, Formerly Serving S.J. Nicholson, Et Al.
R-29, SUB 645	1-23-87	3-04-87	Henderson	Retire & Remove Unused Depot Tracks Nos. 14-3, 14-4, 14-5, 14-7, 14-8 & 14-9
R-29, SUB 650	3-24-87	4-07-87	Butner	Retire & Remove the Railway-Owned Portion of a Track Formerly Serving John Umstead Hospital's Board of Control
R-29, SUB 651	3-24-87	6-11-87	Kinston	Close Agency Station & Add Kinston & the Nonagency Stations of LaGrange, Falling Creek, Hines Junction & East Kinston to Mobile Agency Route 500-NG-12 At Goldsboro

FIGURE NO. 11-3 CONTINUED

RETIREMENT, ABANDONMENT, AND RELOCATION OF STATIONS AND FACILITIES
1987

R-29, SUB 652	8-05-87	9-21-87	Juneau	Retire & Remove Tracks Formerly Serving REA Construction Company
R-29, SUB 653	3-24-87	4-17-87	Rudd	Retire & Remove the Railway-Owned Portion of Track No. 277-4, Formerly Serving the Pomona Foundry
R-29, SUB 654	3-24-87	4-02-87	Kinston	Retire & Remove Track No. 27-4, Formerly Serving Lloyd Humphrey
R-29, SUB 655	3-24-87	4-16-87	Reidsville	Retire & Remove Track No. 260-9, Formerly Serving American Tobacco Company (Oil Track)
R-29, SUB 659	5-06-87	5-28-87	Buffalo	Abandon the Agency & Remove the Station From the Open and Prepay Station List
R-29, SUB 660	5-06-87	6-04-87	Hendersonville	Retire & Remove Track No. 20-9, Formerly Serving Flower Express Company
R-29, SUB 661	5-26-87	10-01-87	Craggy	Retire & Remove Track No. 1-4, Formerly Serving Reynolds Storage Company
R-29, SUB 663	5-29-87	6-30-87	Forest City	Retire & Remove the Railroad-Owned Portion of Track No. 180-1, Formerly Serving Duke Power Company
R-29, SUB 664	5-28-87	7-14-87	Arden	Retire & Remove Track No. 10-1, Formerly Serving Crown Cork & Seal Company
R-29, SUB 665	6-09-87	7-01-87	Guthrie	Retire & Remove the Railroad-Owned Portion of Track No. 18-1, Formerly Serving Wyatt-Quarles Seed Company
R-29, SUB 666	6-09-87	6-18-87	Glen Alpine	Abandon the Nonagency Station & Remove the Station From the Open and Prepay Station List
R-29, SUB 667	6-23-87	8-03-87	Asheville	Retire & Remove the Railroad-Owned Portion of Track No. S-139.14, Formerly Serving Carolina Tractor & Equipment
R-29, SUB 669	7-08-87	8-28-87	Selma	Retire & Remove Track No. 169-5, Formerly Serving Griggs Equipment Company
R-29, SUB 670	7-28-87	10-13-87	Asheville	Retire & Remove Track No. 2-1, Formerly Serving Trotina Construction Company
R-29, SUB 677	8-14-87	10-13-87	Waynesville	Retire & Remove a Portion of an Unused Railway-Owned Track No. 28-5, Formerly Serving A Coal Trestle
R-29, SUB 678	10-20-87	11-30-87	Charlotte	Retire & Remove a Portion of a Track Formerly Serving Twin States Distributing Company
R-29, SUB 679	8-28-87	10-02-87	Oxford	Retire & Remove Track Nos. 56-7 & 56-4
R-29, SUB 680	8-20-87	11-05-87	Roxboro	Reclassify the Roxboro Agency Station & Establish Mobile Agency Route NW VA-9 at South Boston, Virginia to Serve Roxboro & Its Non-agency Stations of Hyco, Helena, Woodsdale & Mayo Creek
R-29, SUB 685	10-20-87	11-09-87	Asheville	Retire & Remove the Railroad-Owned Portion of Track No. 4-1, Formerly Serving A. J. Goodman

FIGURE NO. 11-4

Railroad Classes I, II, & III
(North Carolina Data Only)
OPERATING REVENUES, EXPENSES & RATIOS
For the Years 1960, 1965, 1970, 1975, 1980, 1984, 1985 & 1986

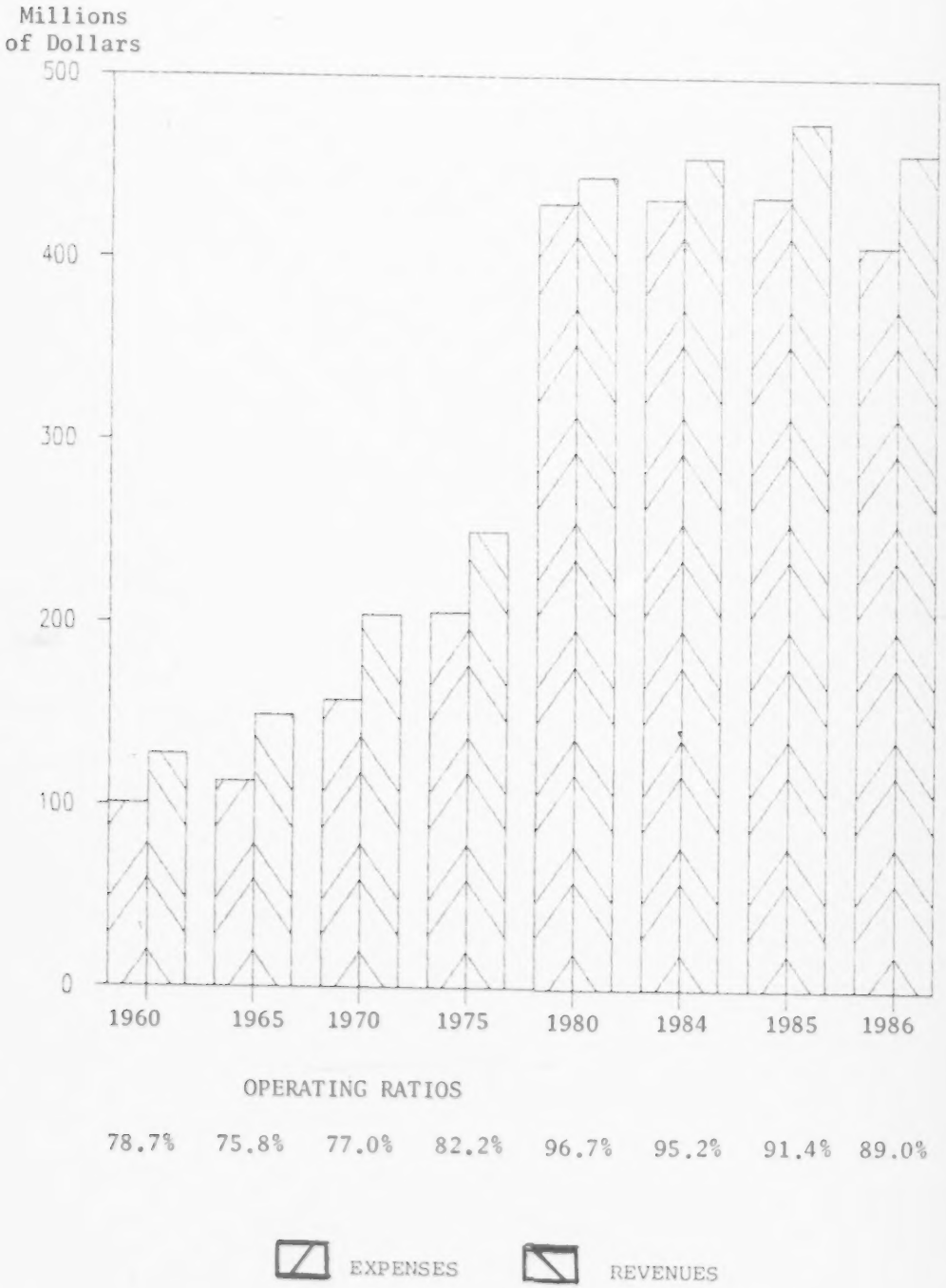

FIGURE NO. II-5

TONS (2,000 LBS.) OF REVENUE FREIGHT BY COMMODITY TYPE ORIGINATING IN NORTH CAROLINA
ON THE CLASS I, II, AND III RAILROADS UNDER REGULATION AT DECEMBER 31, 1986

	Group & Commodity	Class I	Class II	Class III	Grand Total
01	Farm Products	585,020	236,850	77,337	899,207
08	Forest Products	161	0	329,038	329,199
09	Fresh Fish & Other Marine Products	0	0	0	0
10	Metallic Ores	153	57	0	210
11	Coal	4,918	0	1,937	6,855
13	Crude, Petro, Nat. Gas & Nat. GSLN	0	0	0	0
14	Nonmetallic Minerals Except Fuels	2,141,281	221,640	16,713	2,379,634
19	Ordinance & Accessories	22,348	0	4,304	26,652
20	Food & Kindred Products	1,148,300	337,918	1,489	1,487,707
21	Tobacco Products	40,943	2,273	0	43,216
22	Textile Mill Products	87,067	533	0	87,600
23	Apparel & Other Finished Textile PRD, JNC Knit	2,818	45	0	2,863
24	Lumber & Wood Products Except. Furn.	3,426,379	75,883	52,552	3,554,814
25	Furniture & Fixtures	115,594	20,037	0	135,631
26	Pulp, Paper, & Allied Products	1,845,634	258,149	299	2,104,082
27	Printed Matter	0	0	0	0
28	Chemicals & Allied Products	2,117,075	233,006	41,713	2,391,794
29	Petroleum & Coal Products	24,576	650	319,434	344,660
30	Rubber & Miscellaneous Plastic Products	129,374	46,758	0	176,132
31	Leather & Leather Products	32	0	0	32
32	Stone, Clay, Glass, & Concrete Products	1,231,375	383,243	102	1,614,720
33	Primary Metal Products	121,762	30,913	741	153,416
34	Fabr. Metal Prod. Exc. Ordn. Mach. & Transpt.	22,711	652	0	23,363
35	Machinery, Except Electrical	8,966	130	805	9,901
36	Electrical Machinery, Equip. & Supplies	5,865	722	39	6,626
37	Transportation Equipment	10,134	235	1,161	11,530
38	Instruments, Phot. & Optical GD, Watches	0	0	0	0
39	Miscellaneous Products of Manufacturing	1,336	0	292,543	293,879
40	Waste & Scrap Material	721,808	82,642	3,843	808,293
41	Miscellaneous Freight Shipments	14,050	102	1,107	15,259
42	Containers, Shipping Returned Empty	46,883	1,095	0	47,978
44	Freight Forwarder Traffic	2,643	0	42,000	44,643
45	Shipper Assoc. or Similar Traffic	44,097	0	0	44,097
46	Miscellaneous Mixed Shipment Exc. Fwd. & Ship Assoc.	294,084	198	1,314	295,596
47	Small Package (LCL)	0	0	0	0
	Other	220,692	182,227	18,516	421,435
	Grand Total	14,438,079	2,115,958	1,206,987	17,761,024

FIGURE No. II-6

RAILROADS--CLASS I AND II--SUMMARY OF SELECTED DATA--INCOME, EXPENSES, BALANCE SHEET, AND STATISTICAL ITEMS
For the Calendar Years 1960, 1965, 1970, 1975, 1980, 1984, 1985 and 1986
(Dollars in Thousands)

	Allocation of Data	1960	1965	1970	1975	1980	1984	1985	1986	% Change More (less) 1986-1985
No. of Companies Covered by Data:		8	8	6	6	6	4 (1)	4 (1)	3 (1)	(25.0)
Income & Expense Items										
Operating Revenues	N.C.	$120,401	$140,701	$192,795	$237,456	$424,893	$437,461	$465,010	$438,752	(5.6)
	Total	$1,083,951	$1,592,074	$2,072,069	$2,838,455	$5,031,268	$5,651,586	$6,111,793	$7,887,236	29.0
Operating Expenses	N.C.	$95,518	$107,743	$150,734	$197,725	$412,898	$419,446	$427,386	$391,728	(8.3)
	Total	$866,136	$1,141,031	$1,536,621	$2,127,880	$4,327,113	$4,734,373	$5,443,219	$6,670,018	22.5
Net Operating Income	N.C.	$24,883	$32,958	$42,061	$39,731	$11,995	$18,015	$37,624	$47,024	25.0
Before Taxes	Total	$217,815	$451,043	$535,448	$710,575	$704,155	$917,213	$668,574	$1,217,218	82.1
Fixed Charges	Total	$48,233	$92,308	$123,631	$155,903	$192,466	$171,006	$167,372	$242,458	44.9
Other Income (Deductions)	Total	($40,919)	($186,305)	($229,387)	($301,858)	$135,765	$392,797	$232,153	$410,234	76.7
Taxes (2)	Total	N/APL.	N/APL.	N/APL.	N/APL.	N/APL.	$378,881	$246,829	$541,254	119.3
Net Income	Total	$128,663	$182,430	$182,430	$252,814	$647,454	$760,043	$486,526	$843,740	73.4
State Income Tax	N.C.	N/A	$412	$370	$584	$2,611	$565	$1,238	$4,572	269.3
Real Estate/Personal Property Taxes	N.C.	N/A	$3,394	$3,036	$3,420	$4,417	$7,372	$4,913	$2,917	(40.6)
Other N.C. Taxes	N.C.	N/A	$758	$2,625	$4,279	$5,240	$3,447	$5,128	$2,660	(48.1)
Total Taxes Paid or Accrued	N.C.	N/A	$4,564	$6,031	$8,283	$12,268	$11,384	$11,279	$10,149	(10.0)
Operating Ratio	N.C.	79.3%	76.6%	78.2%	83.3%	97.2%	95.9%	91.9%	89.3%	(2.8)
	Total	79.9%	71.7%	74.2%	75.0%	86.0%	83.8%	89.1%	84.6%	(5.1)
Balance Sheet Items										
Net Book Value--Transportation Property	Total	$2,873,588	$3,816,261	$4,597,303	$5,116,622	$6,202,901	$8,415,841	$10,709,200	$14,786,640	38.1
Statistics:										
Average Miles of Road Operated	N.C.	3,722	3,743	3,705	3,691	3,646	3,218	3,931	3,722	(5.3)
	Total	25,434	30,343	29,873	30,310	29,706	28,780	32,547	56,998	75.1
Freight Revenue	N.C.	$104,098	$130,134	$181,027	$230,248	$406,338	$428,787	$454,429	$433,257	(4.7)
	Total	$958,647	$1,449,866	$1,972,758	$2,751,770	$4,885,219	$5,499,668	$5,945,149	$7,648,029	28.6
Tons of Revenue Freight Hauled (000s)	N.C.	63,636	86,772	107,529	99,140	118,441	99,535	111,341	106,155	(4.7)
	Total	348,481	506,307	559,173	635,355	586,593	517,790	530,873	698,868	31.6
Freight Revenue Per Ton	N.C.	$1.64	$1.50	$1.68	$2.32	$3.43	$4.31	$4.09	$4.08	(0.2)
	Total	$2.75	$2.86	$3.53	$4.33	$8.33	$10.62	$11.20	$10.94	(2.3)
Gallons Diesel Fuel Purchased or Used (000s)	N.C.	41,614	49,949	59,518	59,748	66,717	51,453	47,171	48,198	2.2
No. of Employees Allocated (3)	N.C.	9,978	7,802	6,926	6,556	6,822	5,993	5,314	4,933	(7.2)
Total Compensation of Employees (000s) (3)	N.C.	$56,258	$53,604	$66,378	$92,890	$138,716	$160,162	$152,542	$135,819	(11.0)
Average Annual Compensation/Employee	N.C.	$5,163	$6,871	$9,584	$14,169	$20,334	$26,725	$28,706	$27,533	(4.1)
Highway Railroad Grade Crossings (4)	N.C.	3,779	3,448	3,498	3,475	6,121	5,064	4,373	4,286	(2.0)
No. Killed--Grade Crossing Accidents	N.C.	N/A	57	39	25	34	16	11	18	63.6
No. Injured--Grade Crossing Accidents	N.C.	N/A	133	175	129	95	71	84	122	45.2

(1) There were two Class I Railroad Companies and one Class II Railroad Company in operation during 1986.
See Figure No. II-2 for a listing of the Railroad Companies
(2) Taxes have not been broken down for the total company until 1984
(3) Estimates for 1984
(4) State tax information was not available for both Class I Railroads.

FIGURE No. II 7

RAILROADS--CLASS III SUMMARY of SELECTED DATA--INCOME, EXPENSES, BALANCE SHEET, AND STATISTICAL ITEMS
For the Calendar Years 1960, 1965, 1970, 1975, 1980, 1984, 1985 and 1986
(Dollars in Thousands)

	Allocation of Data	1960	1965	1970	1975	1980	1984	1985	1986	% Change More (Less) 1986 1985
No. of Companies Covered by Data:		21	21	17	17	15	16	12 (1)	15	25.0
Income & Expense Items:										
Operating Revenues	N.C.	$7,104	$8,619	$11,603	$12,702	$19,967	$18,456	$10,592	$19,827	87.2
	Total	$9,913	$11,390	$16,371	$17,458	$26,655	$18,456	$10,592	$19,827	87.2
Operating Expenses	N.C.	$4,771	$5,483	$6,630	$7,827	$17,396	$14,362	$7,349	$16,584	125.7
	Total	$6,668	$7,624	$9,862	$10,585	$23,497	$14,362	$7,349	$16,584	125.7
Net Operating Income Before Taxes	N.C.	$2,333	$3,136	$4,973	$4,875	$2,571	$4,094	$3,243	$3,243	0.0
	Total	$3,025	$3,766	$6,509	$6,873	$3,158	$4,094	$3,243	$3,243	0.0
Fixed Charges	Total	$485	$615	$1,227	$492	$249	$936	$890	$258	(71.0)
Other Income (Deductions)	Total	($2,751)	($2,752)	($3,524)	($4,390)	($47)	$229	$374	($1,476)	(494.7)
Taxes	Total	N/A	$523	$1,121	$361	$356	$1,338	$731	$820	12.2
Net Income	Total	($211)	($124)	$637	$1,630	$2,506	$2,049	$1,996	$689	(65.5)
State Income Tax	N.C.	N/A	$35	$129	$116	$166	$189	$118	$167	41.5
Real Estate/Pers. Prop. Taxes	N.C.	N/A	$157	$122	$133	$74	$54	$88	$91	3.4
Other N.C. Taxes	N.C.	N/A	$331	$870	$112	$116	$1,095	$525	$349	(33.5)
Total Taxes Paid or Accrued	N.C.	N/A	$523	$1,121	$361	$356	$1,338	$731	$607	(17.0)
Operating Ratio (Percent)	N.C.	67.2	63.6	57.1	61.6	87.1	77.8	69.4	83.6	20.5
	Total	69.5	66.9	60.2	60.6	88.2	77.8	69.4	83.6	20.5
Balance Sheet Items:										
Net Book Value--Transportation Property	Total	$11,797	$17,799	$22,007	$16,235	$18,315	$16,131	$9,713	$13,485	38.8
Statistics:										
Average Miles of Road Operated	N.C.	697	721	635	478	425	249	294	430	46.3
	Total	1,037	1,028	645	661	583	249	294	430	46.3
Freight Revenue (000s)	N.C.	$6,930	$8,261	$11,442	$12,226	$17,457	$16,440	$9,082	$22,248	145.0
	Total	$9,696	$10,954	$15,830	$17,043	$23,632	$16,440	$9,082	$22,248	145.0
Tons of Revenue Freight Hauled (000s)	N.C.	7,348	9,961	11,155	7,542	6,987	5,263	3,001	5,012	67.0
	Total	9,009	11,464	13,444	9,515	8,587	5,263	3,001	5,012	67.0
Freight Revenue Per Ton	N.C.	$.94	$.83	$1.04	$1.62	$2.50	$3.12	$3.03	$4.44	46.5
	Total	$1.08	$.96	$1.22	$1.79	$2.75	$3.12	$3.03	$4.44	46.5
Gal. Diesel Fuel Purchased or Used (000s)	N.C.	1,286	1,757	2,271	1,725	2,132	430	1,695	171	(89.9)
No. of Employees Allocated	N.C.	599	584	414	313	209	190	114	167	46.5
Total Compensation of Employees (000s)	N.C.	$2,514	$2,851	$3,989	$3,335	$3,906	$4,195	$2,361	$3,136	32.8
Average Annual Compensation/Employee	N.C.	$3,529	$4,331	$7,463	$10,655	$18,689	$22,079	$20,714	$18,780	(9.3)
Highway Railroad Grade Crossings	N.C.	640	973	864	589	644	411	252	526	108.7
No. Killed--Grade Crossing Accidents	N.C.	N/A	7	0	0	0	0	0	1	
No. Injured--Grade Crossing Accidents	N.C.	N/A	11	8	6	1	0	5	2	(60.0)

(1) The following Class III Railroad Companies did not file any data with the North Carolina Utilities Commission: Aberdeen & Briarpatch, Cliffside, and Warrenton

FIGURE NO. II-8

RAILROADS--GRAND TOTALS--CLASSES I, II, AND III
SUMMARY of SELECTED DATA--INCOME, EXPENSES, BALANCE SHEET, AND STATISTICAL ITEMS
For the Calendar Years 1960, 1965, 1970, 1975, 1980, 1984, 1985 and 1986
(Dollars in Thousands)

	Allocation of Data	1960	1965	1970	1975	1980	1984	1985	1986	% Change More (Less) 1986-1985
No. of Companies Covered by Data: (1)		29	29	23	23	21	20	18	18	0.0
Income & Expense Items:										
Operating Revenues	N.C.	$127,505	$149,320	$204,398	$250,158	$444,860	$455,917	$475,602	$458,579	(3.6)
	Total	$1,093,864	$1,603,464	$2,088,440	$2,855,913	$5,057,923	$5,670,042	$6,122,385	$7,907,063	29.2
Operating Expenses (2)	N.C.	$100,289	$113,226	$157,364	$205,552	$430,294	$433,808	$434,735	$408,312	(6.1)
	Total	$873,024	$1,148,655	$1,546,483	$2,138,465	$4,350,610	$4,748,735	$5,450,568	$6,686,602	22.7
Net Operating Income	N.C.	$27,216	$36,094	$47,034	$44,606	$14,566	$22,109	$40,867	$50,267	23.0
Before Taxes	Total	$220,840	$454,809	$541,957	$717,448	$707,313	$921,307	$671,817	$1,220,461	81.7
Fixed Charges	Total	$48,718	$82,923	$124,858	$156,395	$192,715	$172,022	$168,262	$242,716	44.2
Other Income (Deductions)	Total	$79,734	$102,194	$59,330	$98,410	$457,601	$393,023	$232,527	$408,758	75.8
Taxes (3)	Total	N/A	N/A	N/A	N/A	N/A	$378,881	$247,560	$542,074	119.0
Net Income	Total	$128,452	$185,117	$184,188	$254,805	$650,316	$763,427	$488,522	$844,429	72.9
State Income Tax	N.C.	N/A	$447	$499	$700	$2,777	$754	$1,356	$4,739	249.5
Real Estate/Personal Property Taxes	N.C.	N/A	$3,551	$3,158	$3,554	$4,491	$7,426	$5,001	$3,008	(39.9)
Other N.C. Taxes (4)	N.C.	N/A	$1,089	$3,494	$4,391	$5,356	$4,527	$5,653	$3,009	(46.8)
Total Taxes Paid or Accrued	N.C.	N/A	$5,087	$7,151	$8,645	$12,624	$12,722	$12,010	$10,756	(10.4)
Operating Ratio (5)	N.C.	78.7%	75.8%	77.0%	82.2%	96.7%	95.2%	91.4%	89.0%	2.6
	Total	79.8%	71.6%	74.1%	74.9%	86.0%	83.8%	89.0%	84.6%	4.9
Balance Sheet Items:										
Net Book Value--Transportation Property	Total	$2,885,385	$3,834,060	$4,619,310	$5,132,857	$6,221,216	$8,431,972	$10,718,913	$14,800,125	38.1
Statistics:										
Average Miles of Road Operated	N.C.	4,419	4,464	4,340	4,169	4,071	3,467	4,225	4,152	(1.7)
	Total	26,471	31,371	30,818	30,917	30,289	29,029	32,841	57,428	74.9
Freight Revenue	N.C.	$111,028	$138,395	$192,469	$242,474	$423,795	$445,227	$463,511	$455,505	(1.7)
	Total	$968,343	$1,460,820	$1,988,588	$2,768,813	$4,908,851	$5,516,108	$5,954,231	$7,670,277	28.8
Tons of Revenue Freight Hauled (000s)	N.C.	78,984	96,733	118,684	106,682	125,428	104,798	114,342	111,167	(2.8)
	Total	357,490	517,771	572,617	644,870	595,180	523,053	533,874	703,880	31.8
Freight Revenue Per Ton	N.C.	$1.56	$1.43	$1.72	$2.27	$3.38	$4.25	$4.05	$4.10	1.2
	Total	$2.71	$2.82	$3.65	$4.29	$8.25	$10.55	$11.15	$10.90	2.2
Gallons Diesel Fuel Purchased or Used (000s)	N.C.	42,900	51,706	61,789	61,473	68,849	51,883	48,866	48,369	(1.0)
No. of Employees Allocated (6)	N.C.	10,577	8,386	7,340	6,869	7,031	6,185	5,428	5,100	(6.0)
Total Compensation of Employees (000s) (6)	N.C.	$58,772	$56,455	$69,467	$96,225	$142,622	$160,162	$154,903	$138,955	(10.3)
Average Annual Compensation/Employee (6)	N.C.	$5,557	$6,732	$9,464	$14,009	$20,285	$25,904	$28,538	$27,246	(4.5)
Highway Railroad Grade Crossings (7)	N.C.	4,419	4,421	4,362	4,064	6,765	5,475	4,625	4,812	4.0
No. Killed--Grade Crossings Accidents	N.C.	N/A	64	39	25	34	16	11	19	72.7
No. Injured--Grade Crossing Accidents	N.C.	N/A	144	183	135	96	71	89	124	39.3

(1) Class III Railroads were exempted from filing an annual report with the North Carolina Utilities Commission (Docket No. R-26, Sub 29, March 5, 1982); therefore some figures may not reflect all the Class III railroads
(2) Before Tax Accruals and Net Rent
(3) Taxes have not been broken down for the total company until 1984
(4) Includes Franchise Tax
(5) Effective 1-1-70, Class I & II railroads began recording their operations in conformance with the revised Uniform System of Accounts, resulting in expense reclassifications which affected the net revenue and the operating ratio. This change is reflected in the periods after 1975. The prior years were not restated to reflect the changes
(6) Estimate for 1984